TABLE 1.—PELL GRANT PAYMENT SCHEDULE—Continued
Dependent Students, Independent Students with Dependents

If tuition is:	And expected family contribution is:						
	$2,001–2,200	$2,201–2,400	$2,401–2,600	$2,601–2,800	$2,801–3,000	$3,001–3,200	$3,201–3,400
	Then the award is:						
$0–$199	$1,329	$1,143	$957	$780	$620	$459	$0
200–399	1,404	1,218	1,032	855	695	534	0
400–599	1,454	1,268	1,082	905	745	584	423
600–799	1,504	1,318	1,132	955	795	634	473
800–999	1,554	1,368	1,182	1,005	845	684	523
1,000–1,199	1,604	1,418	1,232	1,055	895	734	573
1,200–1,399	1,654	1,468	1,282	1,105	945	784	623
1,400–1,599	1,704	1,518	1,332	1,155	995	834	673
1,600–1,799	1,754	1,568	1,382	1,205	1,045	884	723
1,800–1,999	1,804	1,618	1,432	1,255	1,095	934	773
2,000–2,199	1,854	1,668	1,482	1,305	1,145	984	823
2,200–2,399	1,904	1,718	1,532	1,355	1,195	1,034	873
2,400–2,599	1,954	1,768	1,582	1,405	1,245	1,084	923
2,600–2,799	2,004	1,818	1,632	1,455	1,295	1,134	973
2,800–2,999	2,054	1,868	1,682	1,505	1,345	1,184	1,023
3,000–3199	2,104	1,918	1,732	1,555	1,395	1,234	1,073
3,200–3,399	2,154	1,968	1,782	1,605	1,445	1,284	1,123
3,400–3,599	2,204	2,018	1,832	1,655	1,495	1,334	1,173
3,600–3,799	2,254	2,068	1,882	1,705	1,545	1,384	1,223
3,800–3,999	2,304	2,118	1,932	1,755	1,595	1,434	1,273
4,000–4,199	2,354	2,168	1,982	1,805	1,645	1,484	1,323
4,200–4,399	2,404	2,218	2,032	1,855	1,695	1,534	1,373
4,400–4,599	2,454	2,268	2,082	1,905	1,745	1,584	1,423
4,600–4,799	2,504	2,318	2,132	1,955	1,795	1,634	1,473
4,800–4,999	2,554	2,368	2,182	2,005	1,845	1,684	1,523
5,000–5,199	2,604	2,418	2,232	2,055	1,895	1,734	1,573
5,200–5,399	2,654	2,468	2,282	2,105	1,945	1,784	1,623
5,400–5,599	2,704	2,518	2,332	2,155	1,995	1,834	1,673
5,600–5,799	2,754	2,568	2,382	2,205	2,045	1,884	1,723
5,800–5,999	2,804	2,618	2,432	2,255	2,095	1,934	1,773
6,000–6,199	2,854	2,668	2,482	2,305	2,145	1,984	1,823
6,200–6,399	2,904	2,718	2,532	2,355	2,195	2,034	1,873
6,400–6,599	2,954	2,768	2,582	2,405	2,245	2,084	1,923
6,600–6,799	3,004	2,818	2,632	2,455	2,295	2,134	1,973
6,800–6,999	3,054	2,868	2,682	2,505	2,345	2,184	2,023
7,000+	3,079	2,893	2,707	2,530	2,370	2,209	2,048

TABLE 1.—PELL GRANT PAYMENT SCHEDULE—Continued
Dependent Students, Independent Students with Dependents

If tuition is:	And expected family contribution is:						
	$3,401–3,600	$3,601–3,800	$3,801–4,000	$4,001–4,200	$4,201–4,400	$4,401–4,600	$4,601–4,800
	Then the award is:						
$0–$199	0	0	0	0	0	0	0
200–399	0	0	0	0	0	0	0
400–599	0	0	0	0	0	0	0
600–799	0	0	0	0	0	0	0
800–999	0	0	0	0	0	0	0
1,000–1,199	$434	0	0	0	0	0	0
1,200–1,399	484	0	0	0	0	0	0
1,400–1,599	534	0	0	0	0	0	0
1,600–1,799	584	$447	0	0	0	0	0
1,800–1,999	634	497	0	0	0	0	0
2,000–2,199	684	547	$410	0	0	0	0
2,200–2,399	734	597	460	0	0	0	0
2,400–2,599	784	647	510	0	0	0	0
2,600–2,799	834	697	560	$423	0	0	0
2,800–2,999	884	747	610	473	0	0	0
3,000–3,199	934	797	660	523	$407	0	0
3,200–3,399	984	847	710	573	457	0	0
3,400–3,599	1,034	897	760	623	507	0	0
3,600–3,799	1,084	947	810	673	557	$440	0
3,800–3,999	1,134	997	860	723	607	490	0
4,000–4,199	1,184	1,047	910	773	657	540	$424
4,200–4,399	1,234	1,097	960	823	707	590	474
4,400–4,599	1,284	1,147	1,010	873	757	640	524
4,600–4,799	1,334	1,197	1,060	923	807	690	574
4,800–4,999	1,384	1,247	1,110	973	857	740	624
5,000–5,199	1,434	1,297	1,160	1,023	907	790	674
5,200–5,399	1,484	1,347	1,210	1,073	957	840	724
5,400–5,599	1,534	1,397	1,260	1,123	1,007	890	774
5,600–5,799	1,584	1,447	1,310	1,173	1,057	940	824
5,800–5,999	1,634	1,497	1,360	1,223	1,107	990	874
6,000–6,199	1,684	1,547	1,410	1,273	1,157	1,040	924
6,200–6,399	1,734	1,597	1,460	1,323	1,207	1,090	974
6,400–6,599	1,784	1,647	1,510	1,373	1,257	1,140	1,024
6,600–6,799	1,834	1,697	1,560	1,423	1,307	1,190	1,074
6,800–6,999	1,884	1,747	1,610	1,473	1,357	1,240	1,124
7,000+	1,909	1,772	1,635	1,498	1,382	1,265	1,149

TABLE 1.—PELL GRANT PAYMENT SCHEDULE—Continued
Dependent Students, Independent Students with Dependents

If tuition is:	And expected family contribution is:						
	$4,801–5,000	$5,001–5,200	$5,201–5,400	$5,401–5,600	$5,601–5,800	$5,801–6,000	$6,001–6,200
	Then the award is:						
$0–$199	0	0	0	0	0	0	0
200–399	0	0	0	0	0	0	0
400–599	0	0	0	0	0	0	0
600–799	0	0	0	0	0	0	0
800–999	0	0	0	0	0	0	0

TABLE 1.—PELL GRANT PAYMENT SCHEDULE—Continued
Dependent Students, Independent Students with Dependents

If tuition is:	And expected family contribution is:						
	$4,801–5,000	$5,001–5,200	$5,201–5,400	$5,401–5,600	$5,601–5,800	$5,801–6,000	$6,001–6,200
1,000–1,199	0	0	0	0	0	0	0
1,200–1,399	0	0	0	0	0	0	0
1,400–1,599	0	0	0	0	0	0	0
1,600–1,799	0	0	0	0	0	0	0
1,800–1,999	0	0	0	0	0	0	0
2,000–2,199	0	0	0	0	0	0	0
2,200–2,399	0	0	0	0	0	0	0
2,400–2,599	0	0	0	0	0	0	0
2,600–2,799	0	0	0	0	0	0	0
2,800–2,999	0	0	0	0	0	0	0
3,000–3,199	0	0	0	0	0	0	0
3,200–3,399	0	0	0	0	0	0	0
3,400–3,599	0	0	0	0	0	0	0
3,600–3,799	0	0	0	0	0	0	0
3,800–3,999	0	0	0	0	0	0	0
4,000–4,199	0	0	0	0	0	0	0
4,200–4,399	0	0	0	0	0	0	0
4,400–4,599	$407	0	0	0	0	0	0
4,600–4,799	457	0	0	0	0	0	0
4,800–4,999	507	0	0	0	0	0	0
5,000–5,199	557	$444	0	0	0	0	0
5,200–5,399	607	494	0	0	0	0	0
5,400–5,599	657	544	$445	0	0	0	0
5,600–5,799	707	594	495	0	0	0	0
5,800–5,999	757	644	545	$446	0	0	0
6,000–6,199	807	694	595	496	0	0	0
6,200–6,399	857	744	645	546	$447	0	0
6,400–6,599	907	794	695	596	497	0	0
6,600–6,799	957	844	745	646	547	$448	0
6,800–6,999	1,007	894	795	696	597	498	0
7,000+	1,032	919	820	721	622	523	$420

TABLE 2.—PELL GRANT PAYMENT SCHEDULE
Single Independent Students

If tuition is:	And expected family contribution is:				
	$0–2,000	$2,001–2,200	$2,201–2,400	$2,401–2,600	$2,601–2,800
	Then the award is:				
$0–$199	$2,750	$2,447	$2,137	$1,826	$1,515
200–399	2,825	2,522	2,212	1,901	1,590
400–599	2,875	2,572	2,262	1,951	1,640
600–799	2,925	2,622	2,312	2,001	1,690
800–999	2,975	2,672	2,362	2,051	1,740
1,000–1,199	3,025	2,722	2,412	2,101	1,790
1,200–1,399	3,075	2,772	2,462	2,151	1,840
1,400–1,599	3,125	2,822	2,512	2,201	1,890
1,600–1,799	3,175	2,872	2,562	2,251	1,940
1,800–1,999	3,225	2,922	2,612	2,301	1,990
2,000–2,199	3,275	2,972	2,662	2,351	2,040
2,200–2,399	3,325	3,022	2,712	2,401	2,090
2,400–2,599	3,375	3,072	2,762	2,451	2,140
2,600–2,799	3,425	3,122	2,812	2,501	2,190
2,800–2,999	3,475	3,172	2,862	2,551	2,240
3,000–3,199	3,525	3,222	2,912	2,601	2,290
3,200–3,399	3,575	3,272	2,962	2,651	2,340
3,400–3,599	3,625	3,322	3,012	2,701	2,390
3,600–3,799	3,675	3,372	3,062	2,751	2,440
3,800–3,999	3,725	3,422	3,112	2,801	2,490
4,000–4,199	3,775	3,472	3,162	2,851	2,540
4,200–4,399	3,825	3,522	3,212	2,901	2,590
4,400–4,599	3,875	3,572	3,262	2,951	2,640
4,600–4,799	3,925	3,622	3,312	3,001	2,690
4,800–4,999	3,975	3,672	3,362	3,051	2,740
5,000–5,199	4,025	3,722	3,412	3,101	2,790
5,200–5,399	4,075	3,772	3,462	3,151	2,840
5,400–5,599	4,125	3,822	3,512	3,201	2,890
5,600–5,799	4,175	3,872	3,562	3,251	2,940
5,800–5,999	4,225	3,922	3,612	3,301	2,990
6,000–6,199	4,275	3,972	3,662	3,351	3,040
6,200–6,399	4,325	4,022	3,712	3,401	3,090
6,400–6,599	4,375	4,072	3,762	3,451	3,140
6,600–6,799	4,425	4,122	3,812	3,501	3,190
6,800–6,999	4,475	4,172	3,862	3,551	3,240
7,000+	4,500	4,197	3,887	3,576	3,265

TABLE 2.—PELL GRANT PAYMENT SCHEDULE—Continued
Single Independent Students

If tuition is:	And expected family contribution is:				
	$2,801–3,000	$3,001–3,200	$3,201–3,400	$3,401–3,600	$3,601–3,800
	Then the award is:				
$0–$199	$1,205	$894	$584	0	0
200–399	1,280	969	659	0	0
400–599	1,330	1,019	709	0	0
600–799	1,380	1,069	759	$448	0
800–999	1,430	1,119	809	498	0
1,000–1,199	1,480	1,169	859	548	0
1,200–1,399	1,530	1,219	909	598	0
1,400–1,599	1,580	1,269	959	648	0
1,600–1,799	1,630	1,319	1,009	698	0
1,800–1,999	1,680	1,369	1,059	748	$437
2,000–2,199	1,730	1,419	1,109	798	487
2,200–2,399	1,780	1,469	1,159	848	537
2,400–2,599	1,830	1,519	1,209	898	587

TABLE 2.—PELL GRANT PAYMENT SCHEDULE—Continued
Single Independent Students

If tuition is:	And expected family contribution is:				
	$2,801–3,000	$3,001–3,200	$3,201–3,400	$3,401–3,600	$3,601–3,800
2,600–2,799	1,880	1,569	1,259	948	637
2,800–2,999	1,930	1,619	1,309	998	687
3,000–3,199	1,980	1,669	1,359	1,048	737
3,200–3,399	2,030	1,719	1,409	1,098	787
3,400–3,599	2,080	1,769	1,459	1,148	837
3,600–3,799	2,130	1,819	1,509	1,198	887
3,800–3,999	2,180	1,869	1,559	1,248	937
4,000–4,199	2,230	1,919	1,609	1,298	987
4,200–4,399	2,280	1,969	1,659	1,348	1,037
4,400–4,599	2,330	2,019	1,709	1,398	1,087
4,600–4,799	2,380	2,069	1,759	1,448	1,137
4,800–4,999	2,430	2,119	1,809	1,498	1,187
5,000–5,199	2,480	2,169	1,859	1,548	1,237
5,200–5,399	2,530	2,219	1,909	1,598	1,287
5,400–5,599	2,580	2,269	1,959	1,648	1,337
5,600–5,799	2,630	2,319	2,009	1,698	1,387
5,800–5,999	2,680	2,369	2,059	1,748	1,437
6,000–6,199	2,730	2,419	2,109	1,798	1,487
6,200–6,399	2,780	2,469	2,159	1,848	1,537
6,400–6,599	2,830	2,519	2,209	1,898	1,587
6,600–6,799	2,880	2,569	2,259	1,948	1,637
6,800–6,999	2,930	2,619	2,309	1,998	1,687
7,000+	2,955	2,644	2,334	2,023	1,712

TABLE 2.—PELL GRANT PAYMENT SCHEDULE—Continued
Single Independent Students

If tuition is:	And expected family contribution is:			
	$3,801–4,000	$4,001–4,200	$4,201–4,400	$4,401–4,600
	Then the award is:			
$0–$199	0	0	0	0
200–399	0	0	0	0
400–599	0	0	0	0
600–799	0	0	0	0
800–999	0	0	0	0
1,000–1,199	0	0	0	0
1,200–1,399	0	0	0	0
1,400–1,599	0	0	0	0
1,600–1,799	0	0	0	0
1,800–1,999	0	0	0	0
2,000–2,199	0	0	0	0
2,200–2,399	0	0	0	0
2,400–2,599	0	0	0	0
2,600–2,799	0	0	0	0
2,800–2,999	0	0	0	0
3,000–3,199	$427	0	0	0
3,200–3,399	477	0	0	0
3,400–3,599	527	0	0	0
3,600–3,799	577	0	0	0
3,800–3,999	627	0	0	0
4,000–4,199	677	0	0	0
4,200–4,399	727	$416	0	0
4,400–4,599	777	466	0	0
4,600–4,799	827	516	0	0
4,800–4,999	877	566	0	0
5,000–5,199	927	616	0	0
5,200–5,399	977	666	0	0
5,400–5,599	1,027	716	$405	0
5,600–5,799	1,077	766	455	0
5,800–5,999	1,127	816	505	0
6,000–6,199	1,177	866	555	0
6,200–6,399	1,227	916	605	0
6,400–6,599	1,277	966	655	0
6,600–6,799	1,327	1,016	705	0
6,800–6,999	1,377	1,066	755	$445
7,000+	1,402	1,091	780	470

''(B) Except as provided in paragraph (5), the amount of a basic grant to which a student is entitled under this subpart for any academic year in which the maximum basic grant is established under paragraph (2)(A)(ii) shall be determined by locating, on tables prescribed by the Secretary under this subparagraph, the intersection between the student's tuition (as determined under subparagraph (D)) and the student's expected family contribution (as determined under part F of this title). The Secretary shall prescribe such tables for any such academic year—

''(i) by subtracting $4,500 from the amount of the maximum grant established under paragraph (2)(A)(ii) for such academic year;

''(ii) by dividing the remainder determined under clause (i) by 2;

''(iii) by adding the quotient of that division to each of the cells specifying an award amount in the tables following clause (v);

''(iv)(I) by eliminating all rows following the first row in which such maximum grant amount appears;

''(II) by changing the tuition amounts in the last row (as determined pursuant to clause (I)) to indicate that such row applies to all higher tuition amounts; and

''(III) by reducing the award amount in any such row that exceeds such maximum grant to an amount equal to such maximum grant; and

''(v) by changing the amount in any such cell that is less than $200 to zero.

The tables which the Secretary shall use under this subparagraph are as follows:

TABLE 3.—PELL GRANT PAYMENT SCHEDULE
Dependent Students, Independent Students with Dependents

Tuition is:	And expected family contribution is:			
	0	$1–200	$201–400	$401–600
	Then the award is:			
$0–$199	$2,750	$2,427	$2,347	$2,266
200–399	2,825	2,502	2,422	2,341

TABLE 3.—PELL GRANT PAYMENT SCHEDULE
Dependent Students, Independent Students with Dependents

Tuition is:	And expected family contribution is:			
	0	$1–200	$201–400	$401–600
400–599	2,875	2,552	2,472	2,391
600–799	2,925	2,602	2,522	2,441
800–999	2,975	2,652	2,572	2,491
1,000–1,199	3,025	2,702	2,622	2,541
1,200–1,399	3,075	2,752	2,672	2,591
1,400–1,599	3,125	2,802	2,722	2,641
1,600–1,799	3,175	2,852	2,772	2,691
1,800–1,999	3,225	2,902	2,822	2,741
2,000–2,199	3,275	2,952	2,872	2,791
2,200–2,399	3,325	3,002	2,922	2,841
2,400–2,599	3,375	3,052	2,972	2,891
2,600–2,799	3,425	3,102	3,022	2,941
2,800–2,999	3,475	3,152	3,072	2,991
3,000–3,199	3,525	3,202	3,122	3,041
3,200–3,399	3,575	3,252	3,172	3,091
3,400–3,599	3,625	3,302	3,222	3,141
3,600–3,799	3,675	3,352	3,272	3,191
3,800–3,999	3,725	3,402	3,322	3,241
4,000–4,199	3,775	3,452	3,372	3,291
4,200–4,399	3,825	3,502	3,422	3,341
4,400–4,599	3,875	3,552	3,472	3,391
4,600–4,799	3,925	3,602	3,522	3,441
4,800–4,999	3,975	3,652	3,572	3,491
5,000–5,199	4,025	3,702	3,622	3,541
5,200–5,399	4,075	3,752	3,672	3,591
5,400–5,599	4,125	3,802	3,722	3,641
5,600–5,799	4,175	3,852	3,772	3,691
5,800–5,999	4,225	3,902	3,822	3,741
6,000–6,199	4,275	3,952	3,872	3,791
6,200–6,399	4,325	4,002	3,922	3,841
6,400–6,599	4,375	4,052	3,972	3,891
6,600–6,799	4,425	4,102	4,022	3,941
6,800–6,999	4,475	4,152	4,072	3,991
7,000–7,199	4,525	4,202	4,122	4,041
7,200–7,399	4,575	4,252	4,172	4,091
7,400–7,599	4,625	4,302	4,222	4,141
7,600–7,799	4,675	4,352	4,272	4,191
7,800–7,999	4,725	4,402	4,322	4,241
8,000–8,199	4,775	4,452	4,372	4,291
8,200–8,399	4,825	4,502	4,422	4,341
8,400–8,599	4,875	4,552	4,472	4,391
8,600–8,799	4,925	4,602	4,522	4,441
8,800–8,999	4,975	4,652	4,572	4,491
9,000–9,199	5,025	4,702	4,622	4,541
9,200–9,399	5,075	4,752	4,672	4,591
9,400–9,599	5,125	4,802	4,722	4,641
9,600–9,799	5,175	4,852	4,772	4,691
9,800–9,999	5,225	4,902	4,822	4,741
10,000–10,199	5,275	4,952	4,872	4,791
10,200–10,399	5,325	5,002	4,922	4,841
10,400–10,599	5,375	5,052	4,972	4,891
10,600–10,799	5,425	5,102	5,022	4,941
10,800–10,999	5,475	5,152	5,072	4,991
11,000–11,199	5,525	5,202	5,122	5,041
11,200–11,399	5,575	5,252	5,172	5,091

TABLE 3.—PELL GRANT PAYMENT SCHEDULE—Continued
Dependent Students, Independent Students with Dependents

If tuition is:	And expected family contribution is:				
	$601–800	$801–1,000	$1,001–1,200	$1,201–1,400	$1,401–1,600
	Then the award is:				
$0–$199	$2,185	$2,105	$2,008	$1,887	$1,745
200–399	2,260	2,180	2,083	1,952	1,820
400–599	2,310	2,230	2,133	2,002	1,870
600–799	2,360	2,280	2,183	2,052	1,920
800–999	2,410	2,330	2,233	2,102	1,970
1,000–1,199	2,460	2,380	2,283	2,152	2,020
1,200–1,399	2,510	2,430	2,333	2,202	2,070
1,400–1,599	2,560	2,480	2,383	2,252	2,120
1,600–1,799	2,610	2,530	2,433	2,302	2,170
1,800–1,999	2,660	2,580	2,483	2,352	2,220
2,000–2,199	2,710	2,630	2,533	2,402	2,270
2,200–2,399	2,760	2,680	2,583	2,452	2,320
2,400–2,599	2,810	2,730	2,633	2,502	2,370
2,600–2,799	2,860	2,780	2,683	2,552	2,420
2,800–2,999	2,910	2,830	2,733	2,602	2,470
3,000–3,199	2,960	2,880	2,783	2,652	2,520
3,200–3,399	3,010	2,930	2,833	2,702	2,570
3,400–3,599	3,060	2,980	2,883	2,752	2,620
3,600–3,799	3,110	3,030	2,933	2,802	2,670
3,800–3,999	3,160	3,080	2,983	2,852	2,720
4,000–4,199	3,210	3,130	3,033	2,902	2,770
4,200–4,399	3,260	3,180	3,083	2,952	2,820
4,400–4,599	3,310	3,230	3,133	3,002	2,870
4,600–4,799	3,360	3,280	3,183	3,052	2,920
4,800–4,999	3,410	3,330	3,233	3,102	2,970
5,000–5,199	3,460	3,380	3,283	3,152	3,020
5,200–5,399	3,510	3,430	3,333	3,202	3,070
5,400–5,599	3,560	3,480	3,383	3,252	3,120
5,600–5,799	3,610	3,530	3,433	3,302	3,170
5,800–5,999	3,660	3,580	3,483	3,352	3,220
6,000–6,199	3,710	3,630	3,533	3,402	3,270
6,200–6,399	3,760	3,680	3,583	3,452	3,320
6,400–6,599	3,810	3,730	3,633	3,502	3,370
6,600–6,799	3,860	3,780	3,683	3,552	3,420
6,800–6,999	3,910	3,830	3,733	3,602	3,470
7,000–7,199	3,960	3,880	3,783	3,652	3,520
7,200–7,399	4,010	3,930	3,833	3,702	3,570
7,400–7,599	4,060	3,980	3,883	3,752	3,620
7,600–7,799	4,110	4,030	3,933	3,802	3,670
7,800–7,999	4,160	4,080	3,983	3,852	3,720

TABLE 3.—PELL GRANT PAYMENT SCHEDULE—Continued
Dependent Students, Independent Students with Dependents

If tuition is:	And expected family contribution is:				
	$601–800	$801–1,000	$1,001–1,200	$1,201–1,400	$1,401–1,600
8,000–8,199	4,210	4,130	4,033	3,902	3,770
8,200–8,399	4,260	4,180	4,083	3,952	3,820
8,400–8,599	4,310	4,230	4,133	4,002	3,870
8,600–8,799	4,360	4,280	4,183	4,052	3,920
8,800–8,999	4,410	4,330	4,233	4,102	3,970
9,000–9,199	4,460	4,380	4,283	4,152	4,020
9,200–9,399	4,510	4,430	4,333	4,202	4,070
9,400–9,599	4,560	4,480	4,383	4,252	4,120
9,600–9,799	4,610	4,530	4,433	4,302	4,170
9,800–9,999	4,660	4,580	4,483	4,352	4,220
10,000–10,199	4,710	4,630	4,533	4,402	4,270
10,200–10,399	4,760	4,680	4,583	4,452	4,320
10,400–10,599	4,810	4,730	4,633	4,502	4,370
10,600–10,799	4,860	4,780	4,683	4,552	4,420
10,800–10,999	4,910	4,830	4,733	4,602	4,470
11,000–11,199	4,960	4,880	4,783	4,652	4,520
11,200–11,399	5,010	4,930	4,833	4,702	4,570

TABLE 3.—PELL GRANT PAYMENT SCHEDULE—Continued
Dependent Students, Independent Students with Dependents

If tuition is:	And expected family contribution is:				
	$1,601–1,800	$1,801–2,000	$2,001–2,200	$2,201–2,400	$2,401–2,600
	Then the award is:				
$0–$199	$1,614	$1,483	$1,329	$1,143	$957
200–399	1,689	1,558	1,404	1,218	1,032
400–599	1,739	1,608	1,454	1,268	1,082
600–799	1,789	1,658	1,504	1,318	1,132
800–999	1,839	1,708	1,554	1,368	1,182
1,000–1,199	1,889	1,758	1,604	1,418	1,232
1,200–1,399	1,939	1,808	1,654	1,468	1,282
1,400–1,599	1,989	1,858	1,704	1,518	1,332
1,600–1,799	2,039	1,908	1,754	1,568	1,382
1,800–1,999	2,089	1,958	1,804	1,618	1,432
2,000–2,199	2,139	2,008	1,854	1,668	1,482
2,200–2,399	2,189	2,058	1,904	1,718	1,532
2,400–2,599	2,239	2,108	1,954	1,768	1,582
2,600–2,799	2,289	2,158	2,004	1,818	1,632
2,800–2,999	2,339	2,208	2,054	1,868	1,682
3,000–3,199	2,389	2,258	2,104	1,918	1,732
3,200–3,399	2,439	2,308	2,154	1,968	1,782
3,400–3,599	2,489	2,358	2,204	2,018	1,832
3,600–3,799	2,539	2,408	2,254	2,068	1,882
3,800–3,999	2,589	2,458	2,304	2,118	1,932
4,000–4,199	2,639	2,508	2,354	2,168	1,982
4,200–4,399	2,689	2,558	2,404	2,218	2,032
4,400–4,599	2,739	2,608	2,454	2,268	2,082
4,600–4,799	2,789	2,658	2,504	2,318	2,132
4,800–4,999	2,839	2,708	2,554	2,368	2,182
5,000–5,199	2,889	2,758	2,604	2,418	2,232
5,200–5,399	2,939	2,808	2,654	2,468	2,282
5,400–5,599	2,989	2,858	2,704	2,518	2,332
5,600–5,799	3,039	2,908	2,754	2,568	2,382
5,800–5,999	3,089	2,958	2,804	2,618	2,432
6,000–6,199	3,139	3,008	2,854	2,668	2,482
6,200–6,399	3,189	3,058	2,904	2,718	2,532
6,400–6,599	3,239	3,108	2,954	2,768	2,582
6,600–6,799	3,289	3,158	3,004	2,818	2,632
6,800–6,999	3,339	3,208	3,054	2,868	2,682
7,000–7,199	3,389	3,258	3,104	2,918	2,732
7,200–7,399	3,439	3,308	3,154	2,968	2,782
7,400–7,599	3,489	3,358	3,204	3,018	2,832
7,600–7,799	3,539	3,408	3,254	3,068	2,882
7,800–7,999	3,589	3,458	3,304	3,118	2,932
8,000–8,199	3,639	3,508	3,354	3,168	2,982
8,200–8,399	3,689	3,558	3,404	3,218	3,032
8,400–8,599	3,739	3,608	3,454	3,268	3,082
8,600–8,799	3,789	3,658	3,504	3,318	3,132
8,800–8,999	3,839	3,708	3,554	3,368	3,182
9,000–9,199	3,889	3,758	3,604	3,418	3,232
9,200–9,399	3,939	3,808	3,654	3,468	3,282
9,400–9,599	3,989	3,858	3,704	3,518	3,332
9,600–9,799	4,039	3,908	3,754	3,568	3,382
9,800–9,999	4,089	3,958	3,804	3,618	3,432
10,000–10,199	4,139	4,008	3,854	3,668	3,482
10,200–10,399	4,189	4,058	3,904	3,718	3,532
10,400–10,599	4,239	4,108	3,954	3,768	3,582
10,600–10,799	4,289	4,158	4,004	3,818	3,632
10,800–10,999	4,339	4,208	4,054	3,868	3,682
11,000–11,199	4,389	4,258	4,104	3,918	3,732
11,200–11,399	4,439	4,308	4,154	3,968	3,782

TABLE 3.—PELL GRANT PAYMENT SCHEDULE—Continued
Dependent Students, Independent Students with Dependents

If tuition is:	And expected family contribution is:				
	$2,601–2,800	$2,801–3,000	$3,001–3,200	$3,201–3,400	$3,401–3,600
	Then the award is:				
$0–$199	$780	$620	$459	$298	$159
200–399	855	695	534	373	234
400–599	905	745	584	423	284
600–799	955	795	634	473	334
800–999	1,005	845	684	523	384
1,000–1,199	1,055	895	734	573	434

TABLE 3.—PELL GRANT PAYMENT SCHEDULE—Continued
Dependent Students, Independent Students with Dependents

If tuition is:	And expected family contribution is:				
	$2,601–2,800	$2,801–3,000	$3,001–3,200	$3,201–3,400	$3,401–3,600
1,200–1,399	1,105	945	784	623	484
1,400–1,599	1,155	995	834	673	534
1,600–1,799	1,205	1,045	884	723	584
1,800–1,999	1,255	1,095	934	773	634
2,000–2,199	1,305	1,145	984	823	684
2,200–2,399	1,355	1,195	1,034	873	734
2,400–2,599	1,405	1,245	1,084	923	784
2,600–2,799	1,455	1,295	1,134	973	834
2,800–2,999	1,505	1,345	1,184	1,023	884
3,000–3,199	1,555	1,395	1,234	1,073	934
3,200–3,399	1,605	1,445	1,284	1,123	984
3,400–3,599	1,655	1,495	1,334	1,173	1,034
3,600–3,799	1,705	1,545	1,384	1,223	1,084
3,800–3,999	1,755	1,595	1,434	1,273	1,134
4,000–4,199	1,805	1,645	1,484	1,323	1,184
4,200–4,399	1,855	1,695	1,534	1,373	1,234
4,400–4,599	1,905	1,745	1,584	1,423	1,284
4,600–4,799	1,955	1,795	1,634	1,473	1,334
4,800–4,999	2,005	1,845	1,684	1,523	1,384
5,000–5,199	2,055	1,895	1,734	1,573	1,434
5,200–5,399	2,105	1,945	1,784	1,623	1,484
5,400–5,599	2,155	1,995	1,834	1,673	1,534
5,600–5,799	2,205	2,045	1,884	1,723	1,584
5,800–5,999	2,255	2,095	1,934	1,773	1,634
6,000–6,199	2,305	2,145	1,984	1,823	1,684
6,200–6,399	2,355	2,195	2,034	1,873	1,734
6,400–6,599	2,405	2,245	2,084	1,923	1,784
6,600–6,799	2,455	2,295	2,134	1,973	1,834
6,800–6,999	2,505	2,345	2,184	2,023	1,884
7,000–7,199	2,555	2,395	2,234	2,073	1,934
7,200–7,399	2,605	2,445	2,284	2,123	1,984
7,400–7,599	2,655	2,495	2,334	2,173	2,034
7,600–7,799	2,705	2,545	2,384	2,223	2,084
7,800–7,999	2,755	2,595	2,434	2,273	2,134
8,000–8,199	2,805	2,645	2,484	2,323	2,184
8,200–8,399	2,855	2,695	2,534	2,373	2,234
8,400–8,599	2,905	2,745	2,584	2,423	2,284
8,600–8,799	2,955	2,795	2,634	2,473	2,334
8,800–8,999	3,005	2,845	2,684	2,523	2,384
9,000–9,199	3,055	2,895	2,734	2,573	2,434
9,200–9,399	3,105	2,945	2,784	2,623	2,484
9,400–9,599	3,155	2,995	2,834	2,673	2,534
9,600–9,799	3,205	3,045	2,884	2,723	2,584
9,800–9,999	3,255	3,095	2,934	2,773	2,634
10,000–10,199	3,305	3,145	2,984	2,823	2,684
10,200–10,399	3,355	3,195	3,034	2,873	2,734
10,400–10,599	3,405	3,245	3,084	2,923	2,784
10,600–10,799	3,455	3,295	3,134	2,973	2,834
10,800–10,999	3,505	3,345	3,184	3,023	2,884
11,000–11,199	3,555	3,395	3,234	3,073	2,934
11,200–11,399	3,605	3,445	3,284	3,123	2,984

TABLE 3.—PELL GRANT PAYMENT SCHEDULE—Continued
Dependent Students, Independent Students with Dependents

If tuition is:	And expected family contribution is:				
	$3,601–3,800	$3,801–4,000	$4,001–4,200	$4,201–4,400	$4,401–4,600
	Then the award is:				
$0–$199	$22	−$115	−$252	−$368	−$485
200–399	97	−40	−177	−293	−410
400–599	147	10	−127	−243	−360
600–799	197	60	−77	−193	−310
800–999	247	110	−27	−143	−260
1,000–1,199	297	160	23	−93	−210
1,200–1,399	347	210	73	−43	−160
1,400–1,599	397	260	123	7	−110
1,600–1,799	447	310	173	57	−60
1,800–1,999	497	360	223	107	−10
2,000–2,199	547	410	273	157	40
2,200–2,399	597	460	323	207	90
2,400–2,599	647	510	373	257	140
2,600–2,799	697	560	423	307	190
2,800–2,999	747	610	473	357	240
3,000–3,199	797	660	523	407	290
3,200–3,399	847	710	573	457	340
3,400–3,599	897	760	623	507	390
3,600–3,799	947	810	673	557	440
3,800–3,999	997	860	723	607	490
4,000–4,199	1,047	910	773	657	540
4,200–4,399	1,097	960	823	707	590
4,400–4,599	1,147	1,010	873	757	640
4,600–4,799	1,197	1,060	923	807	690
4,800–4,999	1,247	1,110	973	857	740
5,000–5,199	1,297	1,160	1,023	907	790
5,200–5,399	1,347	1,210	1,073	957	840
5,400–5,599	1,397	1,260	1,123	1,007	890
5,600–5,799	1,447	1,310	1,173	1,057	940
5,800–5,999	1,497	1,360	1,223	1,107	990
6,000–6,199	1,547	1,410	1,273	1,157	1,040
6,200–6,399	1,597	1,460	1,323	1,207	1,090
6,400–6,599	1,647	1,510	1,373	1,257	1,140
6,600–6,799	1,697	1,560	1,423	1,307	1,190
6,800–6,999	1,747	1,610	1,473	1,357	1,240
7,000–7,199	1,797	1,660	1,523	1,407	1,290
7,200–7,399	1,847	1,710	1,573	1,457	1,340
7,400–7,599	1,897	1,760	1,623	1,507	1,390
7,600–7,799	1,947	1,810	1,673	1,557	1,440
7,800–7,999	1,997	1,860	1,723	1,607	1,490
8,000–8,199	2,047	1,910	1,773	1,657	1,540
8,200–8,399	2,097	1,960	1,823	1,707	1,590
8,400–8,599	2,147	2,010	1,873	1,757	1,640
8,600–8,799	2,197	2,060	1,923	1,807	1,690

TABLE 3.—PELL GRANT PAYMENT SCHEDULE—Continued
Dependent Students, Independent Students with Dependents

If tuition is:	And expected family contribution is:				
	$3,601–3,800	$3,801–4,000	$4,001–4,200	$4,201–4,400	$4,401–4,600
8,800–8,999	2,247	2,110	1,973	1,857	1,740
9,000–9,199	2,297	2,160	2,023	1,907	1,790
9,200–9,399	2,347	2,210	2,073	1,957	1,840
9,400–9,599	2,397	2,260	2,123	2,007	1,890
9,600–9,799	2,447	2,310	2,173	2,057	1,940
9,800–9,999	2,497	2,360	2,223	2,107	1,990
10,000–10,199	2,547	2,410	2,273	2,157	2,040
10,200–10,399	2,597	2,460	2,323	2,207	2,090
10,400–10,599	2,647	2,510	2,373	2,257	2,140
10,600–10,799	2,697	2,560	2,423	2,307	2,190
10,800–10,999	2,747	2,610	2,473	2,357	2,240
11,000–11,199	2,797	2,660	2,523	2,407	2,290
11,200–11,399	2,847	2,710	2,573	2,457	2,340

TABLE 3.—PELL GRANT PAYMENT SCHEDULE—Continued
Dependent Students, Independent Students with dependents

If tuition is:	And expected family contribution is:				
	$4,601–4,800	$4,801–5,000	$5,001–5,200	$5,201–5,400	$5,401–5,600
	Then the award is:				
$0–$199	−$601	−$718	−$831	−$930	−$1,029
200–399	−526	−643	−756	−855	−954
400–599	−476	−593	−706	−805	−904
600–799	−426	−543	−656	−755	−854
800–999	−376	−493	−606	−705	−804
1,000–1,199	−326	−443	−556	−655	−754
1,200–1,399	−276	−393	−506	−605	−704
1,400–1,599	−226	−343	−456	−555	−654
1,600–1,799	−176	−293	−406	−505	−604
1,800–1,999	−126	−243	−356	−455	−554
2,000–2,199	−76	−193	−306	−405	−504
2,200–2,399	−26	−143	−256	−355	−454
2,400–2,599	24	−93	−206	−305	−404
2,600–2,799	74	−43	−156	−255	−354
2,800–2,999	124	7	−106	−205	−304
3,000–3,199	174	57	−56	−155	−254
3,200–3,399	224	107	−6	−105	−204
3,400–3,599	274	157	44	−55	−154
3,600–3,799	324	207	94	−5	−104
3,800–3,999	374	257	144	45	−54
4,000–4,199	424	307	194	95	−4
4,200–4,399	474	357	244	145	46
4,400–4,599	524	407	294	195	96
4,600–4,799	574	457	344	245	146
4,800–4,999	624	507	394	295	196
5,000–5,199	674	557	444	345	246
5,200–5,399	724	607	494	395	296
5,400–5,599	774	657	544	445	346
5,600–5,799	824	707	594	495	396
5,800–5,999	874	757	644	545	446
6,000–6,199	924	807	694	595	496
6,200–6,399	974	857	744	645	546
6,400–6,599	1,024	907	794	695	596
6,600–6,799	1,074	957	844	745	646
6,800–6,999	1,124	1,007	894	795	696
7,000–7,199	1,174	1,057	944	845	746
7,200–7,399	1,224	1,107	994	895	796
7,400–7,599	1,274	1,157	1,044	945	846
7,600–7,799	1,324	1,207	1,094	995	896
7,800–7,999	1,374	1,257	1,144	1,045	946
8,000–8,199	1,424	1,307	1,194	1,095	996
8,200–8,399	1,474	1,357	1,244	1,145	1,046
8,400–8,599	1,524	1,407	1,294	1,195	1,096
8,600–8,799	1,574	1,457	1,344	1,245	1,146
8,800–8,999	1,624	1,507	1,394	1,295	1,196
9,000–9,199	1,674	1,557	1,444	1,345	1,246
9,200–9,399	1,724	1,607	1,494	1,395	1,296
9,400–9,599	1,774	1,657	1,544	1,445	1,346
9,600–9,799	1,824	1,707	1,594	1,495	1,396
9,800–9,999	1,874	1,757	1,644	1,545	1,446
10,000–10,199	1,924	1,807	1,694	1,595	1,496
10,200–10,399	1,974	1,857	1,744	1,645	1,546
10,400–10,599	2,024	1,907	1,794	1,695	1,596
10,600–10,799	2,074	1,957	1,844	1,745	1,646
10,800–10,999	2,124	2,007	1,894	1,795	1,696
11,000–11,199	2,174	2,057	1,944	1,845	1,746
11,200–11,399	2,224	2,107	1,994	1,895	1,796

TABLE 3.—PELL GRANT PAYMENT SCHEDULE—Continued
Dependent Students, Independent Students with Dependents

If tuition is:	And expected family contribution is:				
	$5,601–5,800	$5,801–6,000	$6,001–6,200	$6,201–6,400	$6,401–6,600
	Then the award is:				
$0–$199	−$1,128	−$1,227	−$1,330	−$1,433	−$1,535
200–399	−1,053	−1,152	−1,255	−1,358	−1,460
400–599	−1,003	−1,102	−1,205	−1,308	−1,410
600–799	−953	−1,052	−1,155	−1,258	−1,360
800–999	−903	−1,002	−1,105	−1,208	−1,310
1,000–1,199	−853	−952	−1,055	−1,158	−1,260
1,200–1,399	−803	−902	−1,005	−1,108	−1,210
1,400–1,599	−753	−852	−955	−1,058	−1,160
1,600–1,799	−703	−802	−905	−1,008	−1,110
1,800–1,999	−653	−752	−855	−958	−1,060

TABLE 3.—PELL GRANT PAYMENT SCHEDULE—Continued
Dependent Students, Independent Students with Dependents

If tuition is:	And expected family contribution is:				
	$5,601–5,800	$5,801–6,000	$6,001–6,200	$6,201–6,400	$6,401–6,600
2,000–2,199	−603	−702	−805	−908	−1,010
2,200–2,399	−553	−652	−755	−858	−960
2,400–2,599	−503	−602	−705	−808	−910
2,600–2,799	−453	−552	−655	−758	−860
2,800–2,999	−403	−502	−605	−708	−810
3,000–3,199	−353	−452	−555	−658	−760
3,200–3,399	−303	−402	−505	−608	−710
3,400–3,599	−253	−352	−455	−558	−660
3,600–3,799	−203	−302	−405	−508	−610
3,800–3,999	−153	−252	−355	−458	−560
4,000–4,199	−103	−202	−305	−408	−510
4,200–4,399	−53	−152	−255	−358	−460
4,400–4,599	−3	−102	−205	−308	−410
4,600–4,799	47	−52	−155	−258	−360
4,800–4,999	97	−2	−105	−208	−310
5,000–5,199	147	48	−55	−158	−260
5,200–5,399	197	98	−5	−108	−210
5,400–5,599	247	148	45	−58	−160
5,600–5,799	297	198	95	−8	−110
5,800–5,999	347	248	145	42	−60
6,000–6,199	397	298	195	92	−10
6,200–6,399	447	348	245	142	40
6,400–6,599	497	398	295	192	90
6,600–6,799	547	448	345	242	140
6,800–6,999	597	498	395	292	190
7,000–7,199	647	548	445	342	240
7,200–7,399	697	598	495	392	290
7,400–7,599	747	648	545	442	340
7,600–7,799	797	698	595	492	390
7,800–7,999	847	748	645	542	440
8,000–8,199	897	798	695	592	490
8,200–8,399	947	848	745	642	540
8,400–8,599	997	898	795	692	590
8,600–8,799	1,047	948	845	742	640
8,800–8,999	1,097	998	895	792	690
9,000–9,199	1,147	1,048	945	842	740
9,200–9,399	1,197	1,098	995	892	790
9,400–9,599	1,247	1,148	1,045	942	840
9,600–9,799	1,297	1,198	1,095	992	890
9,800–9,999	1,347	1,248	1,145	1,042	940
10,000–10,199	1,397	1,298	1,195	1,092	990
10,200–10,399	1,447	1,348	1,245	1,142	1,040
10,400–10,599	1,497	1,398	1,295	1,192	1,090
10,600–10,799	1,547	1,448	1,345	1,242	1,140
10,800–10,999	1,597	1,498	1,395	1,292	1,190
11,000–11,199	1,647	1,548	1,445	1,342	1,240
11,200–11,399	1,697	1,598	1,495	1,392	1,290

TABLE 3.—PELL GRANT PAYMENT SCHEDULE—Continued
Dependent Students, Independent Students with Dependents

If tuition is:	And expected family contribution is:			
	$6,601–6,800	$6,801–7,000	$7,001–7,200	$7,201–7,400
	Then the award is:			
$0–$199	−$1,638	−$1,740	−$1,843	−$1,945
200–399	−1,563	−1,665	−1,768	−1,870
400–599	−1,513	−1,615	−1,718	−1,820
600–799	−1,463	−1,565	−1,668	−1,770
800–999	−1,413	−1,515	−1,618	−1,720
1,000–1,199	−1,363	−1,465	−1,568	−1,670
1,200–1,399	−1,313	−1,415	−1,518	−1,620
1,400–1,599	−1,263	−1,365	−1,468	−1,570
1,600–1,799	−1,213	−1,315	−1,418	−1,520
1,800–1,999	−1,163	−1,265	−1,368	−1,470
2,000–2,199	−1,113	−1,215	−1,318	−1,420
2,200–2,399	−1,063	−1,165	−1,268	−1,370
2,400–2,599	−1,013	−1,115	−1,218	−1,320
2,600–2,799	−963	−1,065	−1,168	−1,270
2,800–2,999	−913	−1,015	−1,118	−1,220
3,000–3,199	−863	−965	−1,068	−1,170
3,200–3,399	−813	−915	−1,018	−1,120
3,400–3,599	−763	−865	−968	−1,070
3,600–3,799	−713	−815	−918	−1,020
3,800–3,999	−663	−765	−868	−970
4,000–4,199	−613	−715	−818	−920
4,200–4,399	−563	−665	−768	−870
4,400–4,599	−513	−615	−718	−820
4,600–4,799	−463	−565	−668	−770
4,800–4,999	−413	−515	−618	−720
5,000–5,199	−363	−465	−568	−670
5,200–5,399	−313	−415	−518	−620
5,400–5,599	−263	−365	−468	−570
5,600–5,799	−213	−315	−418	−520
5,800–5,999	−163	−265	−368	−470
6,000–6,199	−113	−215	−318	−420
6,200–6,399	−63	−165	−268	−370
6,400–6,599	−13	−115	−218	−320
6,600–6,799	37	−65	−168	−270
6,800–6,999	87	−15	−118	−220
7,000–7,199	137	35	−68	−170
7,200–7,399	187	85	−18	−120
7,400–7,599	237	135	32	−70
7,600–7,799	287	185	82	−20
7,800–7,999	337	235	132	30
8,000–8,199	387	285	182	80
8,200–8,399	437	335	232	130
8,400–8,599	487	385	282	180
8,600–8,799	537	435	332	230
8,800–8,999	587	485	382	280
9,000–9,199	637	535	432	330
9,200–9,399	687	585	482	380
9,400–9,599	737	635	532	430

TABLE 3.—PELL GRANT PAYMENT SCHEDULE—Continued
Dependent Students, Independent Students with Dependents

If tuition is:	And expected family contribution is:			
	$6,601–6,800	$6,801–7,000	$7,001–7,200	$7,201–7,400
9,600–9,799	787	685	582	480
9,800–9,999	837	735	632	530
10,000–10,199	887	785	682	580
10,200–10,399	937	835	732	630
10,400–10,599	987	885	782	680
10,600–10,799	1,037	935	832	730
10,800–10,999	1,087	985	882	780
11,000–11,199	1,137	1,035	932	830
11,200–11,399	1,187	1,085	982	880

TABLE 4.—PELL GRANT PAYMENT SCHEDULE
Single Independent Students

If tuition is:	And expected family contribution is:				
	$0–2,000	$2,001–2,200	$2,201–2,400	$2,401–2,600	$2,601–2,800
	Then the award is:				
$0–$199	$2,750	$2,447	$2,137	$1,826	$1,515
200–399	2,825	2,522	2,212	1,901	1,590
400–599	2,875	2,572	2,262	1,951	1,640
600–799	2,925	2,622	2,312	2,001	1,690
800–999	2,975	2,672	2,362	2,051	1,740
1,000–1,199	3,025	2,722	2,412	2,101	1,790
1200–1,399	3,075	2,772	2,462	2,151	1,840
1400–1,599	3,125	2,822	2,512	2,201	1,890
1,600–1,799	3,175	2,872	2,562	2,251	1,940
1,800–1,999	3,225	2,922	2,612	2,301	1,990
2,000–2,199	3,275	2,972	2,662	2,351	2,040
2,200–2,399	3,325	3,022	2,712	2,401	2,090
2,400–2,599	3,375	3,072	2,762	2,451	2,140
2,600–2,799	3,425	3,122	2,812	2,501	2,190
2,800–2,999	3,475	3,172	2,862	2,551	2,240
3,000–3,199	3,525	3,222	2,912	2,601	2,290
3,200–3,399	3,575	3,272	2,962	2,651	2,340
3,400–3,599	3,625	3,322	3,012	2,701	2,390
3,600–3,799	3,675	3,372	3,062	2,751	2,440
3,800–3,999	3,725	3,422	3,112	2,801	2,490
4,000–4,199	3,775	3,472	3,162	2,851	2,540
4,200–4,399	3,825	3,522	3,212	2,901	2,590
4,400–4,599	3,875	3,572	3,262	2,951	2,640
4,600–4,799	3,925	3,622	3,312	3,001	2,690
4,800–4,999	3,975	3,672	3,362	3,051	2,740
5,000–5,199	4,025	3,722	3,412	3,101	2,790
5,200–5,399	4,075	3,772	3,462	3,151	2,840
5,400–5,599	4,125	3,822	3,512	3,201	2,890
5,600–5,799	4,175	3,872	3,562	3,251	2,940
5,800–5,999	4,225	3,922	3,612	3,301	2,990
6,000–6,199	4,275	3,972	3,662	3,351	3,040
6,200–6,399	4,325	4,022	3,712	3,401	3,090
6,400–6,599	4,375	4,072	3,762	3,451	3,140
6,600–6,799	4,425	4,122	3,812	3,501	3,190
6,800–6,999	4,475	4,172	3,862	3,551	3,240
7,000–7,199	4,525	4,222	3,912	3,601	3,290
7,200–7,399	4,575	4,272	3,962	3,651	3,340
7,400–7,599	4,625	4,322	4,012	3,701	3,390
7,600–7,799	4,675	4,372	4,062	3,751	3,440
7,800–7,999	4,725	4,422	4,112	3,801	3,490
8,000–8,199	4,775	4,472	4,162	3,851	3,540
8,200–8,399	4,825	4,522	4,212	3,901	3,590
8,400–8,599	4,875	4,572	4,262	3,951	3,640
8,600–8,799	4,925	4,622	4,312	4,001	3,690
8,800–8,999	4,975	4,672	4,362	4,051	3,740
9,000–9,199	5,025	4,722	4,412	4,101	3,790
9,200–9,399	5,075	4,772	4,462	4,151	3,840
9,400–9,599	5,125	4,822	4,512	4,201	3,890
9,600–9,799	5,175	4,872	4,562	4,251	3,940
9,800–9,999	5,225	4,922	4,612	4,301	3,990
10,000–10,199	5,275	4,972	4,662	4,351	4,040
10,200–10,399	5,325	5,022	4,712	4,401	4,090
10,400–10,599	5,375	5,072	4,762	4,451	4,140
10,600–10,799	5,425	5,122	4,812	4,501	4,190
10,800–10,999	5,475	5,172	4,862	4,551	4,240
11,000–11,199	5,525	5,222	4,912	4,601	4,290
11,200–11,399	5,575	5,272	4,962	4,651	4,340

TABLE 4.—PELL GRANT PAYMENT SCHEDULE—Continued
Single Independent Students

If tuition is:	And expected family contribution is:				
	$2,801–3,000	$3,001–3,200	$3,201–3,400	$3,401–3,600	$3,601–3,800
	Then the award is:				
$0–$199	$1,205	$894	$584	$273	−$38
200–399	1,280	969	659	348	37
400–599	1,330	1,019	709	398	87
600–799	1,380	1,069	759	448	137
800–999	1,430	1,119	809	498	187
1,000–1,199	1,480	1,169	859	548	237
1,200–1,399	1,530	1,219	909	598	287
1,400–1,599	1,580	1,269	959	648	337
1,600–1,799	1,630	1,319	1,009	698	387
1,800–1,999	1,680	1,369	1,059	748	437
2,000–2,199	1,730	1,419	1,109	798	487
2,200–2,399	1,780	1,469	1,159	848	537
2,400–2,599	1,830	1,519	1,209	898	587
2,600–2,799	1,880	1,569	1,259	948	637

TABLE 4.—PELL GRANT PAYMENT SCHEDULE—Continued
Single Independent Students

If tuition is:	And expected family contribution is:				
	$2,801–3,000	$3,001–3,200	$3,201–3,400	$3,401–3,600	$3,601–3,800
2,800–2,999	1,930	1,619	1,309	998	687
3,000–3,199	1,980	1,669	1,359	1,048	737
3,200–3,399	2,030	1,719	1,409	1,098	787
3,400–3,599	2,080	1,769	1,459	1,148	837
3,600–3,799	2,130	1,819	1,509	1,198	887
3,800–3,999	2,180	1,869	1,559	1,248	937
4,000–4,199	2,230	1,919	1,609	1,298	987
4,200–4,399	2,280	1,969	1,659	1,348	1,037
4,400–4,599	2,330	2,019	1,709	1,398	1,087
4,600–4,799	2,380	2,069	1,759	1,448	1,137
4,800–4,999	2,430	2,119	1,809	1,498	1,187
5,000–5,199	2,480	2,169	1,859	1,548	1,237
5,200–5,399	2,530	2,219	1,909	1,598	1,287
5,400–5,599	2,580	2,269	1,959	1,648	1,337
5,600–5,799	2,630	2,319	2,009	1,698	1,387
5,800–5,999	2,680	2,369	2,059	1,748	1,437
6,000–6,199	2,730	2,419	2,109	1,798	1,487
6,200–6,399	2,780	2,469	2,159	1,848	1,537
6,400–6,599	2,830	2,519	2,209	1,898	1,587
6,600–6,799	2,880	2,569	2,259	1,948	1,637
6,800–6,999	2,930	2,619	2,309	1,998	1,687
7,000–7,199	2,980	2,669	2,359	2,048	1,737
7,200–7,399	3,030	2,719	2,409	2,098	1,787
7,400–7,599	3,080	2,769	2,459	2,148	1,837
7,600–7,799	3,130	2,819	2,509	2,198	1,887
7,800–7,999	3,180	2,869	2,559	2,248	1,937
8,000–8,199	3,230	2,919	2,609	2,298	1,987
8,200–8,399	3,280	2,969	2,659	2,348	2,037
8,400–8,599	3,330	3,019	2,709	2,398	2,087
8,600–8,799	3,380	3,069	2,759	2,448	2,137
8,800–8,999	3,430	3,119	2,809	2,498	2,187
9,000–9,199	3,480	3,169	2,859	2,548	2,237
9,200–9,399	3,530	3,219	2,909	2,598	2,287
9,400–9,599	3,580	3,269	2,959	2,648	2,337
9,600–9,799	3,630	3,319	3,009	2,698	2,387
9,800–9,999	3,680	3,369	3,059	2,748	2,437
10,000–10,199	3,730	3,419	3,109	2,798	2,487
10,200–10,399	3,780	3,469	3,159	2,848	2,537
10,400–10,599	3,830	3,519	3,209	2,898	2,587
10,600–10,799	3,880	3,569	3,259	2,948	2,637
10,800–10,999	3,930	3,619	3,309	2,998	2,687
11,000–11,199	3,980	3,669	3,359	3,048	2,737
11,200–11,399	4,030	3,719	3,409	3,098	2,787

TABLE 4.—PELL GRANT PAYMENT SCHEDULE—Continued
Single Independent Students

If tuition is:	And expected family contribution is:			
	$3,801–4,000	$4,001–4,200	$4,201–4,400	$4,401–4,600
	Then the award is:			
$0–$199	−$348	−$659	−$970	−$1,280
200–399	−273	−584	−895	−1,205
400–599	−223	−534	−845	−1,155
600–799	−173	−484	−795	−1,105
800–999	−123	−434	−745	−1,055
1,000–1,199	−73	−384	−695	−1,005
1,200–1,399	−23	−334	−645	−955
1,400–1,599	27	−284	−595	−905
1,600–1,799	77	−234	−545	−855
1,800–1,999	127	−184	−495	−805
2,000–2,199	177	−134	−445	−755
2,200–2,399	227	−84	−395	−705
2,400–2,599	277	−34	−345	−655
2,600–2,799	327	16	−295	−605
2,800–2,999	377	66	−245	−555
3,000–3,199	427	116	−195	−505
3,200–3,399	477	166	−145	−455
3,400–3,599	527	216	−95	−405
3,600–3,799	577	266	−45	−355
3,800–3,999	627	316	5	−305
4,000–4,199	677	366	55	−255
4,200–4,399	727	416	105	−205
4,400–4,599	777	466	155	−155
4,600–4,799	827	516	205	−105
4,800–4,999	877	566	255	−55
5,000–5,199	927	616	305	−5
5,200–5,399	977	666	355	45
5,400–5,599	1,027	716	405	95
5,600–5,799	1,077	766	455	145
5,800–5,999	1,127	816	505	195
6,000–6,199	1,177	866	555	245
6,200–6,399	1,227	916	605	295
6,400–6,599	1,277	966	655	345
6,600–6,799	1,327	1,016	705	395
6,800–6,999	1,377	1,066	755	445
7,000–7,199	1,427	1,116	805	495
7,200–7,399	1,477	1,166	855	545
7,400–7,599	1,527	1,216	905	595
7,600–7,799	1,577	1,266	955	645
7,800–7,999	1,627	1,316	1,005	695
8,000–8,199	1,677	1,366	1,055	745
8,200–8,399	1,727	1,416	1,105	795
8,400–8,599	1,777	1,466	1,155	845
8,600–8,799	1,827	1,516	1,205	895
8,800–8,999	1,877	1,566	1,255	945
9,000–9,199	1,927	1,616	1,305	995
9,200–9,399	1,977	1,666	1,355	1,045
9,400–9,599	2,027	1,716	1,405	1,095
9,600–9,799	2,077	1,766	1,455	1,145
9,800–9,999	2,127	1,816	1,505	1,195
10,000–10,199	2,177	1,866	1,555	1,245
10,200–10,399	2,227	1,916	1,605	1,295

TABLE 4.—PELL GRANT PAYMENT SCHEDULE—Continued
Single Independent Students

If tuition is:	And expected family contribution is:			
	$3,801–4,000	$4,001–4,200	$4,201–4,400	$4,401–4,600
10,400–10,599	2,277	1,966	1,655	1,345
10,600–10,799	2,327	2,016	1,705	1,395
10,800–10,999	2,377	2,066	1,755	1,445
11,000–11,199	2,427	2,116	1,805	1,495
11,200–11,399	2,477	2,166	1,855	1,545

TABLE 4.—PELL GRANT PAYMENT SCHEDULE—Continued
Single Independent Students

If tuition is:	And expected family contribution is:				
	$4,601–4,800	$4,801–5,000	$5,001–5,200	$5,201–5,400	$5,401–5,600
	Then the award is:				
$0–$199	−$1,591	−$2,017	−$2,332	−$2,647	−$2,962
200–399	−1,516	−1,942	−2,257	−2,572	−2,887
400–599	−1,466	−1,892	−2,207	−2,522	−2,837
600–799	−1,416	−1,842	−2,157	−2,472	−2,787
800–999	−1,366	−1,792	−2,107	−2,422	−2,737
1,000–1,199	−1,316	−1,742	−2,057	−2,372	−2,687
1,200–1,399	−1,266	−1,692	−2,007	−2,322	−2,637
1,400–1,599	−1,216	−1,642	−1,957	−2,272	−2,587
1,600–1,799	−1,166	−1,592	−1,907	−2,222	−2,537
1,800–1,999	−1,116	−1,542	−1,857	−2,172	−2,487
2,000–2,199	−1,066	−1,492	−1,807	−2,122	−2,437
2,200–2,399	−1,016	−1,442	−1,757	−2,072	−2,387
2,400–2,599	−966	−1,392	−1,707	−2,022	−2,337
2,600–2,799	−916	−1,342	−1,657	−1,972	−2,287
2,800–2,999	−866	−1,292	−1,607	−1,922	−2,237
3,000–3,199	−816	−1,242	−1,557	−1,872	−2,187
3,200–3,399	−766	−1,192	−1,507	−1,822	−2,137
3,400–3,599	−716	−1,142	−1,457	−1,772	−2,087
3,600–3,799	−666	−1,092	−1,407	−1,722	−2,037
3,800–3,999	−616	−1,042	−1,357	−1,672	−1,987
4,000–4,199	−566	−992	−1,307	−1,622	−1,937
4,200–4,399	−516	−942	−1,257	−1,572	−1,887
4,400–4,599	−466	−892	−1,207	−1,522	−1,837
4,600–4,799	−416	−842	−1,157	−1,472	−1,787
4,800–4,999	−366	−792	−1,107	−1,422	−1,737
5,000–5,199	−316	−742	−1,057	−1,372	−1,687
5,200–5,399	−266	−692	−1,007	−1,322	−1,637
5,400–5,599	−216	−642	−957	−1,272	−1,587
5,600–5,799	−166	−592	−907	−1,222	−1,537
5,800–5,999	−116	−542	−857	−1,172	−1,487
6,000–6,199	−66	−492	−807	−1,122	−1,437
6,200–6,399	−16	−442	−757	−1,072	−1,387
6,400–6,599	34	−392	−707	−1,022	−1,337
6,600–6,799	84	−342	−657	−972	−1,287
6,800–6,999	134	−292	−607	−922	−1,237
7,000–7,199	184	−242	−557	−872	−1,187
7,200–7,399	234	−192	−507	−822	−1,137
7,400–7,599	284	−142	−457	−772	−1,087
7,600–7,799	334	−92	−407	−722	−1,037
7,800–7,999	384	−42	−357	−672	−987
8,000–8,199	434	8	−307	−622	−937
8,200–8,399	484	58	−257	−572	−887
8,400–8,599	534	108	−207	−522	−837
8,600–8,799	584	158	−157	−472	−787
8,800–8,999	634	208	−107	−422	−737
9,000–9,199	684	258	−57	−372	−687
9,200–9,399	734	308	−7	−322	−637
9,400–9,599	784	358	43	−272	−587
9,600–9,799	834	408	93	−222	−537
9,800–9,999	884	458	143	−172	−487
10,000–10,199	934	508	193	−122	−437
10,200–10,399	984	558	243	−72	−387
10,400–10,599	1,034	608	293	−22	−337
10,600–10,799	1,084	658	343	28	−287
10,800–10,999	1,134	708	393	78	−237
11,000–11,199	1,184	758	443	128	−187
11,200–11,399	1,234	808	493	178	−137

TABLE 4.—PELL GRANT PAYMENT SCHEDULE—Continued
Single Independent Students

If tuition is:	And expected family contribution is:			
	$5,601–5,800	$5,801–6,000	$6,001–6,200	$6,201–6,400
	Then the award is:			
$0–$199	−$3,276	−$3,591	−$3,906	−$4,220
200–399	−3,201	−3,516	−3,831	−4,145
400–599	−3,151	−3,466	−3,781	−4,095
600–799	−3,101	−3,416	−3,731	−4,045
800–999	−3,051	−3,366	−3,681	−3,995
1,000–1,199	−3,001	−3,316	−3,631	−3,945
1,200–1,399	−2,951	−3,266	−3,581	−3,895
1,400–1,599	−2,901	−3,216	−3,531	−3,845
1,600–1,799	−2,851	−3,166	−3,481	−3,795
1,800–1,999	−2,801	−3,116	−3,431	−3,745
2,000–2,199	−2,751	−3,066	−3,381	−3,695
2,200–2,399	−2,701	−3,016	−3,331	−3,645
2,400–2,599	−2,651	−2,966	−3,281	−3,595
2,600–2,799	−2,601	−2,916	−3,231	−3,545
2,800–2,999	−2,551	−2,866	−3,181	−3,495
3,000–3,199	−2,501	−2,816	−3,131	−3,445
3,200–3,399	−2,451	−2,766	−3,081	−3,395
3,400–3,599	−2,401	−2,716	−3,031	−3,345

TABLE 4.—PELL GRANT PAYMENT SCHEDULE—Continued

Single Independent Students

If tuition is:	And expected family contribution is:			
	$5,601–5,800	$5,801–6,000	$6,001–6,200	$6,201–6,400
3,600–3,799	−2,351	−2,666	−2,981	−3,295
3,800–3,999	−2,301	−2,616	−2,931	−3,245
4,000–4,199	−2,251	−2,566	−2,881	−3,195
4,200–4,399	−2,201	−2,516	−2,831	−3,145
4,400–4,599	−2,151	−2,466	−2,781	−3,095
4,600–4,799	−2,101	−2,416	−2,731	−3,045
4,800–4,999	−2,051	−2,366	−2,681	−2,995
5,000–5,199	−2,001	−2,316	−2,631	−2,945
5,200–5,399	−1,951	−2,266	−2,581	−2,895
5,400–5,599	−1,901	−2,216	−2,531	−2,845
5,600–5,799	−1,851	−2,166	−2,481	−2,795
5,800–5,999	−1,801	−2,116	−2,431	−2,745
6,000–6,199	−1,751	−2,066	−2,381	−2,695
6,200–6,399	−1,701	−2,016	−2,331	−2,645
6,400–6,599	−1,651	−1,966	−2,281	−2,595
6,600–6,799	−1,601	−1,916	−2,231	−2,545
6,800–6,999	−1,551	−1,866	−2,181	−2,495
7,000–7,199	−1,501	−1,816	−2,131	−2,445
7,200–7,399	−1,451	−1,766	−2,081	−2,395
7,400–7,599	−1,401	−1,716	−2,031	−2,345
7,600–7,799	−1,351	−1,666	−1,981	−2,295
7,800–7,999	−1,301	−1,616	−1,931	−2,245
8,000–8,199	−1,251	−1,566	−1,881	−2,195
8,200–8,399	−1,201	−1,516	−1,831	−2,145
8,400–8,599	−1,151	−1,466	−1,781	−2,095
8,600–8,799	−1,101	−1,416	−1,731	−2,045
8,800–8,999	−1,051	−1,366	−1,681	−1,995
9,000–9,199	−1,001	−1,316	−1,631	−1,945
9,200–9,399	−951	−1,266	−1,581	−1,895
9,400–9,599	−901	−1,216	−1,531	−1,845
9,600–9,799	−851	−1,166	−1,481	−1,795
9,800–9,999	−801	−1,116	−1,431	−1,745
10,000–10,199	−751	−1,066	−1,381	−1,695
10,200–10,399	−701	−1,016	−1,331	−1,645
10,400–10,599	−651	−966	−1,281	−1,595
10,600–10,799	−601	−916	−1,231	−1,545
10,800–10,999	−551	−866	−1,181	−1,495
11,000–11,199	−501	−816	−1,131	−1,445
11,200–11,399	−451	−766	−1,081	−1,395

''(C) The Secretary shall publish the tables required by subparagraph (B) not later than the date on which the Secretary publishes the maximum grant amount under subparagraph (B)(ii). Such tables shall apply to Pell Grant determinations for the academic year that begins in the succeeding calendar year.

''(D) For the purpose of this paragraph, the term 'tuition' means the tuition and fees specified in subsection (l) of such section 472.''.

(5) Section 411(b)(4) of the Act is amended by striking ''411F'' and inserting ''472''.

(6) Section 411(b)(5) of the Act is amended by striking ''$200'' and inserting ''$400, except that, for a student attending on a less-than-half-time basis, no basic grant shall be awarded if the amount so determined is less than $200''.

(e) ELIGIBILITY OF LESS-THAN-HALF-TIME STUDENTS.—Section 411(b) of the Act is further amended by striking paragraphs (6) and (7) and inserting the following:

''(6) No basic grant shall be awarded under this subpart to any individual who is incarcerated in any Federal or State penal institution.''.

(f) PERIOD OF ELIGIBILITY.—Section 411(c)(1) is amended by striking everything following ''except that'' and inserting ''any period during which the student is enrolled in a noncredit or remedial course of study as defined in paragraph (2) shall not be counted for the purpose of this paragraph.''.

(g) ELIGIBILITY FOR STUDY ABROAD.—Section 411(c)(2) of the Act is amended by adding at the end thereof the following new sentence: ''Nothing in this section shall exclude from eligibility programs of study abroad that are approved for credit by the institution.''.

(h) ELIGIBILITY INDEX.—Section 411(f) of the Act is amended by striking ''an estimate of'' and inserting ''as a part of its regular output document''.

(i) INSUFFICIENT APPROPRIATIONS.—Section 411(g) of the Act (20 U.S.C. 1070a(g)) is amended to read as follows:

''(g) INSUFFICIENT APPROPRIATIONS.—If, for any fiscal year, the funds appropriated for payments under this subpart are insufficient to satisfy fully all entitlements, as calculated under subsection (b) (but at the maximum grant level specified in such apprpriation), the Secretary shall promptly transmit a notice of such insufficiency to each House of the Congress, and identify in such notice the additional amount that would be required to be appropriated to satisfy fully all entitlements (as so calculated at such maximum grant level).''.

(j) TREATMENT OF RECIPIENTS.—Section 411(i) of the Act is amended—

(1) by striking ''NONCONTRACTOR STATUS OF INSTITUTIONS'' and inserting ''TREATMENT OF INSTITUTIONS AND STUDENTS UNDER OTHER LAWS''; and

(2) by adding at the end the following new sentence: ''Recipients of Pell Grants shall not be considered to be individual grantees for purposes of part D of title V of Public Law 100–690.''.

SEC. 412. UNIFICATION OF NEEDS ANALYSIS SYSTEMS.

Subpart 1 of part A of title IV of the Act is amended by striking sections 411A through 411F.

Subpart 2—Federal Supplemental Educational Opportunity Grants

SEC. 413. AMENDMENTS TO SUBPART 2 OF PART A.

(a) TITLE OF PROGRAM.—The heading of subpart 2 of part A of title IV of the Act is amended to read as follows:

''SUBPART 2—FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 413A(b) of the Act is amended to read as follows:

''(b) AUTHORIZATION OF APPROPRIATIONS.—(1) For the purpose of enabling the Secretary to make payments to institutions of higher education which have made agreements with the Secretary in accordance with section 413C(a), for use by such institutions for payments to undergraduate students of supplemental grants awarded to them under this subpart, there are authorized to be appropriated $700,000,000 for fiscal year 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

''(2) Sums appropriated pursuant to this subsection for any fiscal year shall be available for payments to institutions until the end of the second fiscal year succeeding the fiscal year for which they were appropriated.''.

(c) ELIGIBILITY FOR STUDY ABROAD.—Section 413B(a)(1)(A) of the Act is amended by inserting ''or in a program of study abroad that is approved for credit by the institution'' after ''at the institution''.

(d) FEDERAL SHARE.—Section 413C(a)(2) of the Act is amended to read as follows:

''(2) agrees that the Federal share of awards under this subpart will not exceed 75 percent, except that the Federal share may be exceeded if the Secretary determines, pursuant to regulations establishing objective criteria for such determinations, that a larger Federal share is required to further the purpose of this subpart; and''.

(e) TARGETING.—Section 413C(c)(2) is amended to read as follows:

''(2)(A) In carrying out paragraph (1) of this subsection, each institution of higher education shall, in the agreement made under section 487, assure that the selection procedures will be designed to award supplemental grants under this subpart, first, to students with exceptional need.

''(B) For the purpose of subparagraph (A), the term 'students with exceptional need' means students with the greatest financial need as determined under part F of this title.''.

(f) USE OF FUNDS TO NONTRADITIONAL STUDENTS.—Section 413C(d) of the Act is amended to read as follows:

''(d) USE OF FUNDS TO NONTRADITIONAL STUDENTS.—If the institution's allocation under this subpart is directly or indirectly based in part on the financial need demonstrated by students who are (1) attending the institution less than full time, (2) age 24 or older, (3) single parents, or (4) independent students, a reasonable proportion of the institution's allocation shall be made available to such students.''.

(g) TRANSFER OF FUNDS.—Section 413C(e) of the Act is amended by striking '', and may transfer such funds in accordance with the provisions of section 488''.

(h) CONSEQUENCES OF FAILURE TO AWARD.—Section 413D(e) of the Act is amended—

(1) by inserting ''(1)'' after the subsection heading; and

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

''(2) If under paragraph (1) of this subsection an institution returns more than 10 percent of its allocation, the institution's allocation for the next fiscal year shall be reduced by the amount returned. The Secretary may waive this paragraph for a specific institution if the Secretary finds that enforcing it would be contrary to the interest of the program.''.

Subpart 3—State Student Incentive Grants

SEC. 415. AMENDMENTS TO SUBPART 3 OF PART A.

(a) ELIGIBILITY FOR STUDY ABROAD.—Section 415A(a) of the Act is amended by—

(1) striking ''providing grants'' and inserting ''providing grants (1)''; and

(2) striking ''and grants'' and inserting ''or participating in programs of study abroad that are approved for credit by the institution of higher education; or (2)''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 415A(b) of the Act is amended to read as follows:

''(b) AUTHORIZATION OF APPROPRIATIONS; AVAILABILITY.—(1) There are authorized to be appropriated $125,000,000 for fiscal year 1993, and such sums as may be necessary for the 4 succeeding fiscal years.

''(2) Sums appropriated pursuant to paragraph (1) for any fiscal year shall remain available for payments to States under this subpart until the end of the fiscal year succeeding the fiscal year for which such sums were appropriated.''.

(c) MAXIMUM GRANT.—Section 415C(b)(2) of the Act is amended by striking ''$2,500'' and inserting ''$5,000''.

(d) COVERING TUITION INCREASES.—Section 415C(b)(8) of the Act is amended by inserting before the semicolon the following: '', except that for years in which more than $75,000,000 is appropriated, States shall receive more than that amount designated in section 415B only if total State appropriations for all need-based grants exceed the prior 3 years' average of the State's appropriations for all need-based grants''.

(e) ALLOCATION RULE.—Section 415C(b)(7) of the Act is amended to read as follows:

''(7) provides that if the State's allocation under this subpart is based in part on the financial need demonstrated by students who are—

''(A) attending the institution less than full time,

''(B) age 24 or older,

''(C) single parents, or

''(D) independent students,

a reasonable proportion of the State's allocation shall be made available to such students;''.

Subpart 4—Federal Early Outreach and Student Services Programs

SEC. 417. ESTABLISHMENT OF NEW SUBPART.

(a) AMENDMENTS.—Part A of title IV of the Act is amended—

(1) by repealing subpart 4;

(2) by redesignating subparts 1, 2, and 3, as subparts 2, 3, and 4, respectively;

(3) by redesignating section 401 as section 400; and

(4) by inserting after such section the following new subpart:

"Subpart 1—Federal Early Outreach and Student Services Programs

"SEC. 401. FINDINGS.

''The Congress finds that—

''(1) the demands for services to qualified individuals from disadvantaged backgrounds and students with disabilities far exceeds currently available services;

''(2) success in secondary schools is an important determinant of success of postsecondary education;

''(3) individuals must be served at younger ages to make them successful in secondary school and postsecondary education;

''(4) many elementary and secondary school students and their parents are not aware of college opportunities and the options for financing college early enough in their schooling to allow them to study and plan for their graduation from secondary school and to apply to colleges;

''(5) many potential college students do not complete secondary school or pursue college education due to financial barriers;

''(6) emerging demographic projections of children in prekindergarten through high school age groups point to a growing number who will likely experience such barriers;

''(7) new incentives must be found to promote school performance and reduce the number of students who drop out before completing secondary school by assuring that low-income students and students with disabilities who complete secondary school or the equivalent and are accepted into college will have the opportunity to receive a college education, and to inform students early in their education of such opportunities;

''(8) for the well-being of the United States and in order to develop the full potential of each citizen, all students, including students with disabilities, and their families must receive pertinent and thorough higher education counseling and information on the availability and extent of student financial assistance programs;

''(9) information on postsecondary education opportunities, with emphasis on precollege guidance and college admission counseling should be made readily available to school counselors, teachers (including vocational and special education teachers), and school administrative staff;

''(10) all schools and public libraries should have thorough and up-to-date information on financial assistance programs;

''(11) schools should have access to information on various types of precollege guidance counseling programs, including what programs have been successful in what environments, such as rural, suburban and urban, in order to fashion programs that are most beneficial to their community;

''(12) counselors, teachers, and principals in schools which have a low rate of students who continue on to higher education should receive extra training in precollege guidance and financial assistance opportunities, and especially in early intervention programs; and

''(13) counseling and motivating students to strive for postsecondary education opportunities will have the added benefit of retaining more students in high school to complete the work necessary to obtain their high school diplomas.

''CHAPTER 1—TRIO PROGRAMS

"SEC. 401A. PROGRAM AUTHORITY; AUTHORIZATION OF APPROPRIATIONS.

''(a) GRANTS AND CONTRACTS AUTHORIZED.—The Secretary shall, in accordance with the provisions of this chapter, carry out a program of making grants and contracts designed to identify qualified individuals from disadvantaged backgrounds, to prepare them for a program of postsecondary education, to provide support services for such students who are pursuing programs of postsecondary education, to motivate and prepare students for doctoral programs, and to train individuals serving or preparing for service in programs and projects so designed.

''(b) ELIGIBLE GRANT AND CONTRACT RECIPIENTS.—For the purposes described in subsection (a), the Secretary is authorized, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5), to make grants to, and contracts with, institutions of higher education, public and private agencies and organizations, combinations of such institutions, agencies, and organizations, and, in exceptional circumstances, secondary schools for planning, developing, or carrying out one or more of the services assisted under this chapter.

''(c) AWARDING GRANTS AND CONTRACTS.—(1) In making grants and contracts under this chapter, the Secretary shall consider the prior experience of service delivery under the particular program for which funds are sought by each applicant. For fiscal years after 1985, the level of consideration given to prior experience shall not vary from the level of consideration given this factor for fiscal year 1985.

''(2) The Secretary shall fund applications received under this chapter in the order of the scores received in the peer review process required under section 1210 as adjusted for prior experience under section 401A(c)(1).

''(3) In any year in which appropriations permit, the Secretary shall provide inflationary increases to institutions continuing to sponsor projects under this chapter. Such inflation adjustment shall reflect the rate of increase in the Consumer Price Index.

''(4) After making the adjustment required in section 401A(c)(3), in any year in which the appropriations authorized under this chapter exceed the prior year appropriation as adjusted for inflation, the Secretary shall use 80 percent of the amount appropriated above the current services level to bring the award up to the minimum grant level or the amount requested by the institution or agency, whichever is less. The minimum grant level (A) for programs authorized under section 401D or 401G, shall not be less than $170,000 for fiscal year 1993; (B) for programs authorized under section 401B or 401F shall not be less than $180,000 for fiscal year 1994; and (C) for programs authorized under section 401C or 401E shall not be less than $190,000 for fiscal year 1995.

''(5) Grants or contracts made under this chapter should be for a period of five years, subject to continuing appropriations allowing for such awards.

''(6) For institutions, agencies, and organizations sponsoring projects authorized under this chapter, the Secretary shall inform the institution, agency, or organization regarding the status of their application for continued funding at least 10 months prior to the expiration of existing funding. For institutions, agencies, and organizations seeking funding for a project under this chapter not currently operated by the institution, organization or agency, the Secretary shall inform the institution, agency or organization regarding the status of their application at least ten months prior to the proposed start-up-date. The Secretary shall ensure that the start-up date for new grants authorized under this chapter immediately follows upon the termination of the preceding grant so that, for successful applicants, no break in funding occurs.

''(d) EARLY NOTIFICATION AND TECHNICAL TRAINING.—(1) The Secretary shall provide notification about deadlines for submission of applications to potential providers of programs and projects assisted under this chapter including institutions of higher education, community based organizations, local educational agencies, and public and private nonprofit organizations. The Secretary shall provide such information no later than 120 days prior to the deadline of submission for applications and shall consult national, State, and regional organizations about candidates for notification.

''(2) The Secretary shall provide technical training to applicants for projects and programs authorized under this chapter. Tech-

nical training activities shall include the provision of information on authorizing legislation, goals and objectives of the program, required activities, eligibility requirements, the application process and application deadlines, and assistance in the development of program proposals and the completion of program applications. Such training shall be furnished at conferences, seminars, and workshops to be conducted at no less than 10 sites throughout the country to ensure that all areas of the country with large concentrations of eligible participants are served.

''(e) APPLICATION REVIEW PROCESS.—(1) The Secretary shall assure that, to the extent practicable, members of groups underrepresented in higher education, including Blacks, Hispanics, Native Americans, Asian Americans, Native American Pacific Islanders (including Native Hawaiians), are represented as readers of applications submitted under this subpart in proportions which reflect their eligibility for the programs and projects assisted under this chapter. The Secretary shall also assure that persons from rural backgrounds are represented as readers.

''(2) The Secretary shall assure that each application submitted under this subpart is read by at least 3 outside readers.

''(f) APPLICATIONS FOR GRANTS AND CONTRACTS UNDER THIS CHAPTER.—The Secretary shall not limit the number of applications submitted by an institution, agency, or organization under any program authorized under this chapter.

''(g) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of making grants and contracts under this chapter, there are authorized to be appropriated $750,000,000 for fiscal year 1993, and such sums as may be necessary for the 4 succeeding fiscal years.

''(h) DEFINITIONS.—For the purpose of this chapter:

''(1) The term 'first generation college student' means—

''(A) an individual both of whose parents did not complete a baccalaureate degree; or

''(B) in the case of any individual who regularly resided with and received support from only one parent, an individual whose only such parent did not complete a baccalaureate degree.

''(2) The term 'low-income individual' means an individual from a family whose taxable income for the preceding year did not exceed 150 percent of an amount equal to the poverty level determined by using criteria of poverty established by the Bureau of the Census. For purposes of establishing eligibility for the services under sections 401B and 401F documentation that an individual is a low-income individual may only include the following: a signed statement from the parent or legal guardian, verification from another governmental source, a signed financial aid application, a signed Federal tax return, or for individuals over eighteen and for individuals defined as independent students under section 480, a signed statement from the individual. For purposes of establishing eligibility for services under section 401C documentation that an individual is a low-income individual may only include the following: a signed statement from a parent or legal guardian, verification from another governmental source, or a signed Federal income tax return. For purposes of establishing eligibility for services under sections 401D and 401E documentation that an individual is a low-income individual may only include a signed financial aid application.

''(3) No veteran shall be deemed ineligible to participate in any program under this chapter by reason of such individual's age who—

''(A) served on active duty for a period of more than 180 days, any part of which occurred after January 31, 1955, and was discharged or released therefrom under conditions other than dishonorable; or

''(B) served on active duty after January 31, 1955, and was discharged or released therefrom because of a service connected disability.

''(i) COORDINATION WITH OTHER PROGRAMS FOR DISADVANTAGED STUDENTS.—The Secretary shall encourage coordination of programs funded under this chapter with other programs for disadvantaged students operated by the sponsoring institution or agency, regardless of funding source. The Secretary shall publish no regulation which limits an institution, organization, or agency's ability to receive funding under this subpart by virtue of its sponsorship of similar programs regardless of funding source. The Secretary shall not require a separate director for a project funded under this chapter if the imposition of this requirement would hinder coordination among projects funded under this chapter or of similar projects funded under this chapter with projects funded through other sources.

"SEC. 401B. TALENT SEARCH.

''(a) PROGRAM AUTHORITY.—The Secretary shall carry out a program to be known as talent search which shall be designed—

''(1) to identify qualified youths with potential for education at the postsecondary level and to encourage such youths to complete secondary school and to undertake a program of postsecondary education;

''(2) to publicize the availability of student financial assistance available to persons who pursue a program of postsecondary education; and

''(3) to encourage persons who have not completed programs of education at the secondary or postsecondary level, but who have the ability to complete such programs, to reenter such programs.

''(b) PERMISSIBLE SERVICES.—Any talent search project assisted under this chapter may provide services such as—

''(1) academic advice and assistance in high school and college course selection;

''(2) assistance in completing college admission and financial aid applications;

''(3) assistance in preparing for college entrance examinations;

''(4) guidance on high school reentry or entry to GED or other alternative education programs for high school dropouts;

''(5) personal and career counseling;

''(6) tutorial services;

''(7) exposure to college campuses as well as cultural events, academic programs and other sites or activities not usually available to disadvantaged youth;

''(8) workshops and counseling for parents of students served;

''(9) mentoring programs involving elementary or secondary school teachers, faculty members at institutions of higher education, students, or any combination of such persons; and

''(10) programs and activities as described in paragraphs (1) through (9) which are specially designed for students of limited English proficiency.

''(c) REQUIREMENTS FOR APPROVAL OF APPLICATIONS.—In approving applications for talent search projects under this chapter for any fiscal year the Secretary shall—

''(1) require an assurance that not less than two-thirds of the individuals participating in the project proposed to be carried out under any application be low-income individuals who are first generation college students;

''(2) require that such participants be persons who either have completed 5 years of elementary education or are at least 11 years of age but not more than 27 years of age, unless the imposition of any such limitation with respect to any person would defeat the purposes of this section or the purposes of section 401F;

''(3) require an assurance that individuals participating in the project proposed in the application do not have access to services from another project funded under this section or under section 401F; and

''(4) require an assurance that the project will be located in a setting accessible to the persons proposed to be served by the project.

"SEC. 401C. UPWARD BOUND.

''(a) PROGRAM AUTHORITY.—The Secretary shall carry out a program to be known as upward bound which shall be designed to generate skills and motivation necessary for success in education beyond high school.

''(b) PERMISSIBLE SERVICES.—Any upward bound project assisted under this chapter may provide services such as—

''(1) instruction in reading, writing, study skills, mathematics, and other subjects necessary for success beyond high school;

''(2) personal counseling;

''(3) academic advice and assistance in high school course selection;

''(4) tutorial services;

''(5) exposure to cultural events, academic programs, and other activities not usually available to disadvantaged youth;

''(6) activities designed to acquaint youths participating in the project with the range of career options available to them;

''(7) instruction designed to prepare youths participating in the project for careers in which persons from disadvantaged backgrounds are particularly underrepresented;

''(8) on-campus residential programs;

''(9) mentoring programs involving elementary or secondary school teachers, faculty members at institutions of higher education, students, or any combination of such persons; and

''(10) programs and activities as described in paragraphs (1) through (9) which are specially designed for students of limited English proficiency.

''(c) REQUIRED SERVICES.—Any upward bound project assisted under this chapter which has received funding for two or more years shall include mathematics through precalculus, a minimum of one laboratory science, and composition and literature as part of their core curriculum.

''(d) REQUIREMENTS FOR APPROVAL OF APPLICATIONS.—In approving applications for upward bound projects under this chapter for any fiscal year, the Secretary shall—

''(1) require an assurance that not less than two-thirds of the youths participating in the project proposed to be carried out under any application be low-income individuals who are first generation college students;

''(2) require an assurance that the remaining youths participating in the project proposed to be carried out under any application be either low-income individuals or first generation college students;

''(3) require that there be a determination by the institution, with respect to each participant in such project that the participant has a need for academic support in order to pursue successfully a program of education beyond high school; and

''(4) require that such participants be persons who have completed 8 years of elementary education and are at least 13 years of age but not more than 19 years of age, unless the imposition of any such limitation would defeat the purposes of this section.

''(e) MAXIMUM STIPENDS.—Youths participating in a project proposed to be carried out under any application may be paid stipends not in excess of $60 per month during June, July, and August, and not in excess of $40 per month during the remaining period of the year.

"SEC. 401D. STUDENT SUPPORT SERVICES.

''(a) PROGRAM AUTHORITY.—The Secretary shall carry out a program to be known as

student support services which shall be designed—

''(1) to increase college retention and graduation rates for eligible students;

''(2) to increase the transfer rates of eligible students from two year or four year institutions; and

''(3) to foster an institutional climate supportive of the success of low-income and first generation college students and individuals with disabilities.

''(b) PERMISSIBLE SERVICES.—A student support services project assisted under this chapter may provide services such as—

''(1) instruction in reading, writing, study skills, mathematics, and other subjects necessary for success beyond high school;

''(2) personal counseling;

''(3) academic advice and assistance in course selection;

''(4) tutorial services and counseling and peer counseling;

''(5) exposure to cultural events and academic programs not usually available to disadvantaged students;

''(6) activities designed to acquaint students participating in the project with the range of career options available to them;

''(7) activities designed to assist students participating in the project in securing admission and financial assistance for enrollment in graduate and professional programs;

''(8) activities designed to assist students currently enrolled in 2-year institutions in securing admission and financial assistance for enrollment in a four-year program of postsecondary education;

''(9) mentoring programs involving either elementary/secondary school teachers, faculty members at institutions of higher education, students, or any combination of such persons; and

''(10) programs and activities as described in paragraphs (1) through (9) which are specially designed for students of limited English proficiency.

''(c) REQUIREMENTS FOR APPROVAL OF APPLICATIONS.—In approving applications for student support services projects under this chapter for any fiscal year, the Secretary shall—

''(1) require an assurance that not less than two-thirds of the persons participating in the project proposed to be carried out under any application—

''(A) be individuals with disabilities, or

''(B) be low-income individuals who are first generation college students;

''(2) require an assurance that the remaining students participating in the project proposed to be carried out under any application either be low-income individuals, first generation college students, or individuals with disabilities;

''(3) require an assurance that not less than one-third of the individuals with disabilities participating in the project be low-income individuals;

''(4) require that there be a determination by the institution, with respect to each participant in such project, that the participant has a need for academic support in order to pursue successfully a program of education beyond high school;

''(5) require that such participants be enrolled or accepted for enrollment at the institution which is the recipient of the grant or contract; and

''(6) require an assurance from the institution which is the recipient of the grant or contract that each student enrolled in the project will be offered sufficient financial assistance to meet that student's full financial need.

''SEC. 401E. POSTBACCALAUREATE ACHIEVEMENT PROGRAM AUTHORITY.

''(a) PROGRAM AUTHORITY.—The Secretary shall carry out a program to be known as the 'Ronald E. McNair Postbaccalaureate Achievement Program' that shall be designed to provide disadvantaged college students with effective preparation for doctoral study.

''(b) SERVICES.—A postbaccalaureate achievement project assisted under this section may provide services such as—

''(1) opportunities for research or other scholarly activities at the institution or at graduate centers designed to provide students with effective preparation for doctoral study;

''(2) summer internships;

''(3) seminars and other educational activities designed to prepare students for doctoral study;

''(4) tutoring;

''(5) academic counseling;

''(6) activities designed to assist students participating in the project in securing admission to and financial assistance for enrollment in graduate programs;

''(7) mentoring programs involving elementary or secondary school teachers, faculty members at institutions of higher education, students, or any combination of such persons; and

''(8) exposure to cultural events and academic programs not usually available to disadvantaged students.

''(c) REQUIREMENTS.—In approving applications for postbaccalaureate achievement projects assisted under this section for any fiscal year, the Secretary shall require—

''(1) an assurance that not less than two-thirds of the individuals participating in the project proposed to be carried out under any application be low-income individuals who are first generation college students;

''(2) an assurance that the remaining persons participating in the project proposed to be carried out be from a group that is underrepresented in graduate education;

''(3) an assurance that participants be enrolled in a degree program at an eligible institution in accordance with the provisions of section 487; and

''(4) an assurance that participants in summer research internships have completed their sophomore year in postsecondary education.

''(d) AWARD CONSIDERATIONS.—In addition to such other selection criteria as may be prescribed by regulations, the Secretary shall consider in making awards to institutions under this section—

''(1) the quality of research and other scholarly activities in which students will be involved;

''(2) the level of faculty involvement in the project and the description of the research in which students will be involved; and

''(3) the institution's plan for identifying and recruiting participants including students enrolled in projects authorized under this section.

''(e) STIPENDS.—Students participating in research under a postbaccalaureate achievement project may receive stipends not to exceed $2,400 per annum. In addition, costs for summer room and board, summer tuition, and transportation to summer programs may be paid.

''SEC. 401F. EDUCATIONAL OPPORTUNITY CENTERS.

''(a) PROGRAM AUTHORITY; SERVICES PROVIDED.—The Secretary shall carry out a program to be known as educational opportunity centers which shall be designed—

''(1) to provide information with respect to financial and academic assistance available for individuals desiring to pursue a program of postsecondary education; and

''(2) to provide assistance to such persons in applying for admission to institutions at which a program of postsecondary education is offered, including preparing necessary applications for use by admissions and financial aid officers.

''(b) PERMISSIBLE SERVICES.—An educational opportunity center assisted under this chapter may provide services such as—

''(1) public information campaigns designed to inform the community regarding opportunities for postsecondary education and training;

''(2) academic advice and assistance in course selection;

''(3) assistance in completing college admission and financial aid applications;

''(4) assistance in preparing for college entrance examinations;

''(5) guidance on high school reentry or entry to GED or other alternative education programs for high school dropouts;

''(6) personal counseling;

''(7) tutorial services;

''(8) career workshops and counseling;

''(9) mentoring programs involving elementary or secondary school teachers, faculty members at institutions of higher education, students, or any combination of such persons; and

''(10) programs and activities as described in paragraphs (1) through (9) which are specially designed for students of limited English proficiency.

''(c) REQUIREMENTS FOR APPROVAL OF APPLICATIONS.—In approving applications for educational opportunity centers under this chapter for any fiscal year the Secretary shall—

''(1) require an assurance that not less than two-thirds of the persons participating in the project proposed to be carried out under any application be low-income individuals who are first generation college students;

''(2) require that such participants be persons who are at least nineteen years of age, unless the imposition of such limitation with respect to any person would defeat the purposes of this section or the purposes of section 401B; and

''(3) require an assurance that individuals participating in the project proposed in the application do not have access to services from another project funded under this section or under section 401B.

''SEC. 401G. STAFF DEVELOPMENT ACTIVITIES.

''For the purpose of improving the operation of the programs and projects authorized by this chapter, the Secretary is authorized to make grants to institutions of higher education and other public and private nonprofit institutions and organizations to provide training for staff and leadership personnel employed in, or preparing for employment in, such programs and projects. Such training shall include conferences, internships, seminars, workshops, and the publication of manuals designed to improve the operation of such programs and projects and shall be carried out in the various regions of the Nation in order to ensure that the training opportunities are appropriate to meet the needs in the local areas being served by such programs and projects. Such training shall be offered annually for new directors of projects funded under this chapter as well as annually on the following topics and other topics chosen by the Secretary: legislative and regulatory requirements for the operation of programs funded under this chapter, assisting students in receiving adequate financial aid from programs funded under this title and other programs, and the design and operation of model programs for projects funded under this chapter. Grants for the purposes of this section shall be made only after consultation with regional and State professional associations of persons having special knowledge with respect to the needs and problems of such programs and projects.

''SEC. 401H. OUTREACH GRANTS.

''For the purpose of better serving populations eligible for programs and projects au-

thorized under this subpart, the Secretary is authorized to make grants to institutions of higher education, community-based organizations and other public and private nonprofit organizations to provide outreach to potential providers of programs and projects authorized under this subpart including institutions of higher education, community-based organizations, local educational agencies, and other public and private nonprofit organizations. Outreach activities shall seek to inform potential providers that could serve groups underrepresented in the program about authorizing legislation, goals and objectives of the program, required activities, eligibility requirements, the application process and deadlines for submission of applications, and suggestions for successful programs. Such activities shall include the publication of informational materials, information dissemination, and informational meetings.

"SEC. 401I. EVALUATION FOR PROJECT IMPROVEMENT.

''For the purpose of improving the operation of the programs and projects authorized by this chapter, the Secretary is authorized to make grants and contracts to institutions of higher education and other public and private institutions and organizations to evaluate the effectiveness of the various programs authorized under this chapter in meeting the purposes identified in the chapter. Such evaluations shall identify institutional, community and program practices particularly effective in increasing the access of low-income and first generation college students to postsecondary education, their preparation for postsecondary education, and their success in postsecondary education. In order to improve program effectiveness, the results of these on-going evaluations shall be disseminated to similar programs funded under this chapter as well as other individuals concerned with the postsecondary access and retention of low-income, first generation college students.

''CHAPTER 2—NATIONAL LIBERTY SCHOLARSHIPS AND PARTNERSHIPS PROGRAMS

"SEC. 403A. PROGRAMS AUTHORIZED.

''The Secretary is authorized, in accordance with the requirements of this chapter, to establish—

''(1) a program to encourage States to provide or maintain a guarantee to low-income students who obtain a high-school diploma (or its equivalent), of the financial assistance necessary to permit them to attend an institution of higher education; and

''(2) a program to provide incentives to States, in cooperation with local educational agencies, institutions of higher education, and community organizations, to provide additional counseling, outreach, and supportive services—

''(A) to elementary, middle, and secondary school students who are at risk of dropping out of school; and

''(B) to students and their parents regarding their college financing options.

"SEC. 403B. STATE ELIGIBILITY; STATE PLAN.

''(a) IN GENERAL.—In order for a State to qualify for a grant under this chapter, the State shall submit to the Secretary a plan for carrying out its programs under this chapter. Such plan shall be in such form, contain or be accompanied by such information or assurances, and be submitted at such time as the Secretary may require by regulation.

''(b) FINANCIAL AID REQUIREMENT.—The Secretary shall not approve a plan submitted under subsection (a) for payments under section 403E(a) unless such plan—

''(1) provides that the State will provide, from State, local, or private funds, not less than one-half the cost of the financial aid program required by section 403C;

''(2) specifies the methods by which such share of the costs will be paid;

''(3) designates as eligible for participation in the program all qualified students; and

''(4) provides that the State will provide first preference for payments of funds under subpart 3 of this part to those students eligible for grants under section 403C.

''(c) PARTNERSHIP REQUIREMENTS.—The Secretary shall not approve a plan submitted under subsection (a) for payments under section 403E(b) unless such plan—

''(1) provides that the State will match, from State, local, or private funds, the amount provided by section 403E(b) for the comprehensive mentoring, counseling, outreach, and support service programs required by section 403D;

''(2) specifies the methods by which such share of the costs will be paid;

''(3) includes provisions designed to assure that the State education agency or State higher education agency will administer the mentoring, counseling, outreach, and support services program authorized by this chapter in the State;

''(4) includes provisions designed to assure that the mentoring, counseling, outreach, and support services program is comprehensive and addresses personal and educational needs and financing options, each of which shall be designed to ensure high school completion and college enrollment of at-risk children; and

''(5) includes provisions designed to assure that funds provided under section 403B(c)(1) shall supplement and not supplant funds expended for existing State and local programs.

''(d) METHODS FOR COMPLYING WITH MATCHING REQUIREMENT.—A State may count toward the contribution required by subsection (b)(1) the sum of—

''(1) the amount of the grants paid to students from State, local, or private funds under section 403C; and

''(2) the amount of tuition, fees, room or board waived or reduced for recipients of grants funded by section 403C.

"SEC. 403C. FINANCIAL AID PROGRAM.

''(a) IN GENERAL.—In order to receive payments under section 403E(a), a State shall establish or maintain a financial assistance program that awards grants to students in accordance with the requirements of this chapter.

''(b) GRANT AMOUNTS.—The maximum amount of the grant that a qualified student in any participating State shall be eligible to receive under this chapter shall be established by the State. The minimum amount of the grant shall not be less than 75 percent of the average cost of attendance for an in-State student, in a 4-year program of instruction, at public institutions of higher education in such State, as determined in accordance with regulations prescribed by the Secretary, except that the maximum grant shall be reduced by the total amount of other grant assistance for which the qualified student is eligible.

''(c) GRANT RECIPIENT SELECTION.—Selection of recipients of these grants will be on the basis of substantial financial need determined annually on the basis of criteria established by the State and approved by the Secretary, except that all recipients must satisfy the requirements of section 403G.

"SEC. 403D. PARTNERSHIP PROGRAM.

''(a) IN GENERAL.—In order to receive payments under section 403E(b), a State shall demonstrate to the satisfaction of the Secretary that the State has increased the aggregate amount expended by the State to provide comprehensive mentoring, counseling, outreach, and supportive services.

''(b) PROGRAMS QUALIFYING FOR CREDIT.—

''(1) CRITERIA.—The Secretary shall, by regulation, establish criteria for determining whether comprehensive mentoring, counseling, outreach, and supportive services programs may be counted for purposes of subsection (a).

''(2) PERMISSIBLE ACTIVITIES.—Examples of acceptable activities include:

''(A) Activities designed to ensure high school completion and college enrollment of at-risk children, including identification of at-risk children, after school and summer tutoring, assistance in obtaining summer jobs, academic counseling, volunteer and parent involvement and former or current scholarship recipients as mentor or peer counselors, skills assessment, personal counseling, family counseling and home visits, and staff development, and programs and activities as described above which are specially designed for students of limited English proficiency; and

''(B) Prefreshman summer programs that—

''(i) are at institutions of higher education that also have programs of academic year supportive services for disadvantaged students through projects authorized under section 401D of this subpart or through comparable projects funded by the State or other sources;

''(ii) assure the participation of students who qualify as disadvantaged under the provisions of section 401D of this part or who are eligible for comparable programs funded by the State;

''(iii)(I) provide summer instruction in remedial, developmental or supportive courses; (II) provide such summer services as counseling, tutoring, or orientation; and (III) provide grant aid to students to cover prefreshman summer costs for books, supplies, living costs and personal expenses; and

''(iv) assure that participating students will receive financial aid during each academic year they are enrolled at the participating institution after the prefreshman summer.

Such criteria shall exclude administrative and overhead expenses.

''(c) OPTIONS FOR PARTICIPATION IN PARTNERSHIPS.—In establishing a partnership program, a State may include participation of businesses, religious organizations, community groups, institutions of higher education, nonprofit and philanthropic organizations, and other organizations which the Secretary deems appropriate.

"SEC. 403E. PAYMENT REQUIREMENTS.

''(a) FINANCIAL AID PAYMENTS.—Upon submission by a State of such documents as the Secretary may, by regulation, require for demonstrating the total amount of grants awarded in accordance with section 403C for a fiscal year, the Secretary shall, from such State's allotment under section 403F for such fiscal year, pay to such State an amount equal to not more than one-half of the total amount of such grants.

''(b) PAYMENTS FOR PARTNERSHIPS.—

''(1) Upon submission by a State of such documents as the Secretary may, by regulation, require for demonstrating the total amount expended by the State in accordance with section 403D for a fiscal year, the Secretary shall, from such State's allotment under section 403F for such fiscal year, pay to such State an amount equal to not more than one-half of the total amount so expended.

''(2) In computing the total amount expended by a State in accordance with section 403D, the Secretary shall include documented, targeted, long-term mentoring and counseling provided by volunteers or paid staff of nonschool organizations, including businesses, religious organizations, community groups, postsecondary educational insti-

tutions, nonprofit and philanthropic organizations, and other organizations.

"SEC. 403F. ALLOTMENT.

"(a) ALLOTMENT BASED ON TITLE I ESEA ALLOCATIONS.—From the sums appropriated pursuant to section 403H, the Secretary shall allot to each State an amount which bears the same ratio to such sums as—

"(1) the amount allocated under section 1005 of the Elementary and Secondary Education Act of 1965 to the local education agencies in the State,

bears to—

"(2) the total amount allocated under such section to all such agencies in all States.

"(b) 50 PERCENT LIMIT ON USE FOR SECTION 403E.—No State may use less than 25 percent or more than 50 percent of its allotment for the comprehensive counseling, outreach, and support services program authorized by section 403D.

"(c) REALLOTMENT.—The amount of any State's allotment under subsection (a) for any fiscal year which the Secretary determines will not be required for such fiscal year for the program of that State shall be available for reallotment from time to time, on such dates during such year as the Secretary may fix, to other States in proportion to the original allotments to such States for such year, but with such proportionate amount for any of such States being reduced to the extent it exceeds the sum the Secretary estimates such State needs and will be able to use for such year for carrying out such programs. The total of such reductions shall be similarly reallotted among the States whose proportionate amounts were not so reduced.

"SEC. 403G. DEFINITIONS.

"As used in this chapter:

"(1) The term 'qualified student' means a student—

"(A) who is less than 22 years old at time of first grant award;

"(B) who (i) is receiving a Pell Grant for the academic year for which the award is being made under this chapter, or (ii) would be eligible to receive a Pell Grant for such academic year, but for the student's attendance on a less than half-time basis;

"(C) who receives a high school diploma or a certificate of high school equivalence on or after January 1, 1993; and

"(D) who is enrolled or accepted for enrollment in a program of instruction at an institution of higher education as defined in section 481 and is located within the State's boundaries; as a State option, States can offer grant program portability for recipients who attend eligible higher education institutions in States which participate in the program authorized by section 403C.

"SEC. 403H. APPROPRIATIONS.

"There is authorized an appropriation to make grants under this chapter $250,000,000 for fiscal year 1993 and such sums as may be necessary for each of the four succeeding fiscal years.

"CHAPTER 3—MODEL PROGRAM COMMUNITY PARTNERSHIP COUNSELING GRANTS

"SEC. 404A. MODEL PROGRAM GRANTS.

"(a) PROGRAM AUTHORITY.—From the amounts appropriated under section 404C(b), the Secretary shall award grants to develop model programs—

"(1) to counsel students, at an early age, about college opportunities, precollege requirements, the college admissions procedure, financial aid opportunities, and student support services that are specially designed or customized for use in specific geographic, social, and cultural environments; or

"(2) which stimulate community partnerships with schools by providing tutoring, mentoring, work experiences, and other services which support making postsecondary education a realistic goal for all students.

"(b) PRIORITIES IN SELECTION.—The Secretary shall give priority to those model programs which are directed at areas which have a high proportion of minority, limited English proficiency, economically disadvantaged, disabled, nontraditional, or at-risk students and those model programs which serve these students from rural or urban environments.

"(c) PROPOSAL REQUIREMENTS.—

"(1) TAILORING.—To receive a grant under subsection (a)(1), the proposal submitted to the Secretary shall demonstrate that the counseling on college opportunities, precollege requirements, the college admissions procedure, and financial aid opportunities (including early intervention counseling), is tailored to a specific geographic, social or cultural environment.

"(2) COMMUNITY PARTNERSHIPS.—To receive a grant under subsection (a)(2), the proposal submitted to the Secretary shall demonstrate the active involvement of a local educational agency and at least one of the following:

"(A) local businesses,

"(B) labor organizations, or

"(C) community groups.

"(3) GOALS AND OUTCOMES.—To receive a grant under this section, each proposal shall contain a statement of specific, measurable goals and methods for obtaining statistics on the number of participants who continue on to postsecondary education.

"SEC. 404B. DIFFUSION NETWORK ACTIVITIES.

"(a) COLLECTION OF INFORMATION.—The Secretary shall collect information concerning—

"(1) successful programs including those supported under section 404A which counsel students about college opportunities, precollege requirements, the college admissions procedure, and financial aid opportunities;

"(2) successful early intervention programs which set students on the path toward staying in school and pursuing a postsecondary education;

"(3) model programs which counsel students in specific environments, such as urban, rural, and suburban; and

"(4) model programs which develop school/community partnerships to provide mentoring, tutoring, work experiences and other services which support making postsecondary education a realistic goal for all students.

"(b) DISSEMINATION.—The Secretary shall insure that the information collected under subsection (a) be disseminated through the National Diffusion Network.

"SEC. 404C. AUTHORIZATION OF APPROPRIATIONS.

"(a) MODEL PROGRAM GRANTS.—There are authorized to be appropriated $70,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out section 404A.

"(b) DISSEMINATION ACTIVITIES.—There are authorized to be appropriated $20,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out section 404B.

"CHAPTER 4—CONGRESSIONAL HONORS AWARDS

"SEC. 405A. SCHOLARSHIPS AUTHORIZED.

"(a) PROGRAM AUTHORITY.—The Secretary is authorized, in accordance with this chapter, to award Congressional Honors scholarships to students who are Pell Grant recipients, who have participated in a preparatory program for postsecondary education, and who demonstrate academic achievement.

"(b) PERIOD OF AWARDS.—A student who satisfies the requirements of section 405B may receive a Congressional Honors scholarship for each year that the student receives a Pell Grant.

"(c) CONGRESSIONAL HONORS SCHOLARS.—Students awarded scholarships under this chapter shall be known as 'Congressional Honors Scholars'.

"(d) AUTHORIZATION.—There are authorized to be appropriated such sums as may be necessary for fiscal year 1993 and each of the four succeeding fiscal years to carry out this chapter.

"SEC. 405B. ELIGIBILITY OF SCHOLARS.

"(a) REQUIREMENTS FOR STUDENTS IN FIRST YEAR OF POSTSECONDARY EDUCATION.—In order for a student who will be attending his or her first year of postsecondary education to be eligible to receive a scholarship under this chapter for that academic year, the student must—

"(1) have participated, for a minimum period of thirty-six months, in an early intervention program that meets the requirements of section 405C;

"(2) complete a program of secondary education including three years of mathematics, two years of science and four years of English;

"(3) earn a gradepoint average of 2.5 or higher, on a scale of 4.0, in the final two years of high school; and

"(4) receive a Pell Grant under subpart 2 for that academic year.

"(b) REQUIREMENTS FOR OTHER STUDENTS.—In order for a student who will be attending postsecondary education for a year other than his or her first year, to be eligible to receive a scholarship under this chapter for that academic year, the student must—

"(1) have received a Congressional Honors Award in a previous academic year;

"(2) maintain satisfactory academic progress as defined under section 484(c); and

"(3) receive a Pell Grant under subpart 2 for that academic year.

"SEC. 405C. ELIGIBLE EARLY INTERVENTION PROGRAMS.

"(a) PARTICIPATION IN TRIO PROGRAMS AND LIBERTY SCHOLARSHIP PROGRAMS.—Participation in a program authorized under section 401B, 401C, 403D, or 404A for a thirty-six month period shall meet the requirement of section 405B(a)(1).

"(b) OTHER ELIGIBLE EARLY INTERVENTION PROGRAM.—Participation in another early intervention program regardless of sponsorship for a thirty-six month period, shall qualify students for Congressional Honors Awards if the program—

"(1) meets at least biweekly during the academic year for a period of at least two hours outside regular school hours;

"(2) meets any other requirements established by the Secretary; and

"(3) is certified by the Governor as an Honors Scholars Program.

"SEC. 405D. SCHOLARSHIP AMOUNT.

"(a) AMOUNT OF AWARD.—Except as provided in subsection (b), the amount of a scholarship awarded under this chapter for any academic year shall be equal to 25 percent of the Pell Grant that the recipient is awarded for that year.

"(b) RELATION TO COST OF ATTENDANCE AND OTHER ASSISTANCE.—Notwithstanding subsection (a), the amount of a scholarship awarded under this chapter shall be reduced by the postsecondary institution that the student is or will be attending, by the amount that the scholarship when combined with other Federal or non-Federal grant or scholarship assistance the student receives in any academic year, exceeds the student's cost of attendance as defined in section 472.

"SEC. 405E. AWARD PROCEDURES.

"(a) AWARD PROCEDURES.—By a date set by the Secretary, each Early Intervention Program identified in section 405C shall provide

to the Secretary the names of all graduating seniors who meet the requirements of section 405B(a). The Secretary shall provide each contractor processing applications for awards under subpart 2 with these names and notify the Congressional Honors Scholars. Students who meet the requirements of section 405B shall also identify themselves on the application for Federal student aid.

''(b) PAYMENT OF SCHOLARSHIPS.—Payments of awards under this section shall be made in conjunction with payment of awards under the Pell Grant program provided under section 411 in accordance with regulations promulgated by the Secretary for such purpose. Each contractor processing applications for awards under section 411 shall in a timely manner furnish to the student financial aid administrator at each institution of higher education the names of students eligible for Congressional Honors Awards in attendance at that institution.

''(c) ADJUSTMENT FOR INSUFFICIENT APPROPRIATIONS.—If, after the Secretary determines the total number of eligible applicants for an academic year in accordance with section 405B, funds available in a fiscal year are insufficient to fully fund all awards for that academic year under this chapter, the amount paid to each student shall be reduced proportionately.

''(d) AWARDS CEREMONY.—Each year the Secretary shall conduct an awards ceremony honoring first-year recipients of Congressional Honors Awards.

''CHAPTER 5—TECHNICAL ASSISTANCE FOR TEACHERS AND COUNSELORS

"SEC. 406A. TECHNICAL ASSISTANCE GRANTS.

''(a) PROGRAM AUTHORITY.—From the amounts appropriated under subsection (f), the Secretary shall award grants to local educational agencies to use for the purpose of obtaining specialized training for guidance counselors, teachers, and principals to counsel students about college opportunities, precollege requirements, the college admissions procedure, and financial aid opportunities.

''(b) SELECTION OF GRANT RECIPIENTS.—

''(1) PRIORITY.—In making grants under this section, the Secretary shall give priority to those local educational agencies serving school districts (A) from which the proportion of students who continue on to higher education is significantly below the national average, and (B) in which the proportion of students who are educationally disadvantaged is significantly above the national average.

''(2) SELECTION PROCEDURES.—The Secretary shall develop a formal procedure for the submission of proposals and publish in the Federal Register an announcement with respect to that procedure and the availability of funds.

''(c) LOCAL PLAN.—To receive a grant under this section, a local educational agency shall submit to the Secretary a plan that—

''(1) specifies the methods to be used for outreach, implementation, and follow-up with those students most in need and at-risk for dropping out or failing to pursue postsecondary education;

''(2) demonstrates the methods by which the agency will target funds to those schools within the district that have the lowest rate of students who continue on to higher education;

''(3) utilizes early intervention programs for counseling minority, economically disadvantaged, disabled, and at-risk students about postsecondary education;

''(4) includes a strategy for keeping the guidance counselors, teachers (including elementary, secondary, vocational, and special education teachers), and principals who have been trained up-to-date on financial aid information;

''(5) contains a statement of specific goals and methods for obtaining statistics on the number of participants who continue on to postsecondary education; and

''(6) contains a description of the costs of the training and other activities to be undertaken.

''(d) DURATION OF GRANTS.—Grants under this section shall be available for 2 years.

''(e) EVALUATION.—

''(1) CONDUCT OF EVALUATIONS.—The Secretary shall reserve not more than 2 percent of any amount appropriated under subsection (f) for the purpose of carrying out an independent evaluation of the effectiveness of the training programs assisted under this section in—

''(A) increasing the number of personnel in a school who regularly counsel students regarding college opportunities, precollege requirements, the college admission procedure, and financial aid opportunities; and

''(B) increasing the number of students who continue on to postsecondary education from a school which has had personnel trained using monies from this section.

''(2) REPORT.—The Secretary shall submit to the appropriate committees of the Congress a report which contains the findings of the evaluation required by paragraph (1).

''(f) TECHNICAL ASSISTANCE GRANTS.—There are authorized to be appropriated $70,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out this section.

''CHAPTER 6—NATIONAL STUDENT SAVINGS DEMONSTRATION PROGRAM

"SEC. 407A. NATIONAL STUDENT SAVINGS DEMONSTRATION PROGRAM.

''(a) STATEMENT OF PURPOSE.—It is the purpose of this section to—

''(1) create a demonstration program to test the feasibility of establishing a national student savings program to encourage families to save for their children's college education and thereby reduce the loan indebtedness of college students; and

''(2) help determine the most effective means of achieving the activities described in paragraph (1).

''(b) DEMONSTRATION PROGRAM AUTHORIZED.—

''(1) IN GENERAL.—The Secretary is authorized to award a demonstration grant to not more than 5 States to enable each such State to conduct a student savings program in accordance with this section.

''(2) AMOUNT OF GRANT.—The amount of each grant awarded pursuant to paragraph (1) shall be computed on the basis of—

''(A) a Federal match in an amount equal to the initial State deposit into each account established pursuant to subsection (c)(2)(B), except that such Federal match shall not exceed $50 per child; multiplied by

''(B) the number of children participating in the program assisted under this part.

''(3) PRIORITY.—In awarding grants under this section the Secretary shall give priority to States proposing programs that establish accounts for a child prior to the age of compulsory school attendance in the State in which such child resides.

''(4) SPECIAL CONSIDERATION.—In awarding grants under this section the Secretary shall give special consideration to States—

''(A) that permit employers to use pretax income in making contributions to a child's account; and

''(B) that provide assurances that interest earned in accounts shall be exempt from State taxes.

''(c) APPLICATION.—

''(1) IN GENERAL.—Each State desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

''(2) CONTENTS.—Each application submitted pursuant to paragraph (1) shall—

''(A) describe the student savings program to be established and the number of children to be served;

''(B) contain assurances that an account shall be established for each child participating in the program assisted under this section and set forth the initial amount to be deposited into each such account by the State;

''(C) contain assurances that deposits into such account shall be invested in a responsible manner that provides a reasonable rate of return;

''(D) contain assurances that funds in the account shall only be used to pay the cost of attendance (as such term is defined in section 472) at any eligible institution (as such term is defined in section 481);

''(E) describe the amount of the Federal contribution requested for starting each child's account, which shall not exceed $50 per child participating in the program;

''(F) describe the age at which children in the State may establish such accounts;

''(G) indicate whether the program will be open to all children, regardless of family income, or only to disadvantaged children;

''(H) describe how additional deposits into each account from the State or other resources will be earned by a child for performance of community service, academic performance, or other activities or achievements;

''(I) contain assurances that contributions in an account shall be refundable to the contributor without interest if the child is unable to attend college;

''(J) contain assurances that the State shall encourage individuals and organizations to make contributions to a child's account;

''(K) contain assurances that the State shall provide incentives to employers to make contributions to a child's account and participate in the program assisted under this section; and

''(L) contain assurances that if a child leaves the State in which such child has an account, then such child shall retain the right to make contributions to the account, except that the State shall not be required to make any additional deposits other than interest.

''(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $10,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out this section.

''CHAPTER 7—PUBLIC INFORMATION

"SEC. 408A. DATABASE AND INFORMATION LINE.

''From the funds available under section 408C, the Secretary of Education shall award a contract to establish and maintain—

''(1) a computerized database of all public and private financial assistance programs, to be accessible to schools and libraries through either modems or toll-free telephone lines; and

''(2) a toll-free information line, including access by telecommunications devices for the deaf ('TDD's'), to provide individualized financial assistance information to parents, students, and other individuals, including individuals with disabilities, and to refer students with disabilities and their families to the postsecondary clearinghouse that is authorized under section 633(c) of the Individuals with Disabilities Education Act.

"SEC. 408B. PUBLIC ADVERTISING.

''The Secretary shall encourage private nonprofit agencies and organizations to work with persons engaged in video production to develop and deliver public service announcements and paid advertising messages that encourage economically disadvantaged, minority, or at-risk individuals to seek higher

education, and to seek higher education and financial assistance counseling at public schools and libraries. These announcements and messages may be specially designed for students of limited English proficiency. The Secretary shall keep the appropriate committees of the Congress informed with respect to the efforts made pursuant to this section and shall recommend any additional legislative authority that will serve the purposes of this section.

"SEC. 408C. DATABASE AND INFORMATION LINE.

''There are authorized to be appropriated $20,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out this chapter.

''CHAPTER 8—PRESIDENTIAL ACHIEVEMENT SCHOLARSHIP PROGRAM

"SEC. 409A. PURPOSE; APPROPRIATIONS AUTHORIZED.

''(a) PURPOSE.—It is the purpose of this chapter to award scholarships to Pell Grant recipients who demonstrate high academic achievement, and thereby encourage financially needy students to excel in their elementary and secondary studies, enter postsecondary education, and continue to demonstrate high levels of academic achievement at the postsecondary level.

''(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $170,000,000 for fiscal year 1993, and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out the purposes of this chapter. Funds shall remain available for expenditure until the end of the fiscal year immediately succeeding the fiscal year for which such funds were appropriated.

"SEC. 409B. SCHOLARSHIPS AUTHORIZED.

''(a) PROGRAM AUTHORITY.—The Secretary is authorized, in accordance with this chapter, to carry out a program of awarding scholarships to students who are Pell Grant recipients and demonstrate high levels of academic achievement.

''(b) PERIOD OF AWARDS.—(1) A student who satisfies the requirements of section 409C may receive a scholarship, for a period of one academic year, for full-time undergraduate study at an institution of higher education.

''(2) A student who satisfies the requirements of section 409C may receive up to four scholarships, each awarded for a period of 1 academic year, except that, in the case of a student who is enrolled in a full-time undergraduate course of study that requires attendance for 5 academic years, the student may receive up to 5 scholarships under this chapter.

''(c) PRESIDENTIAL ACHIEVEMENT SCHOLARSHIPS.—Students awarded scholarships under this chapter shall be known as 'Presidential Achievement Scholars'.

"SEC. 409C. ELIGIBILITY OF SCHOLARS.

''(a) REQUIREMENTS FOR STUDENTS IN FIRST YEAR OF POSTSECONDARY EDUCATION.—In order for a student who will be attending his or her first year of postsecondary education to be eligible to receive a scholarship under this subpart for that academic year, the student must—

''(1)(A) rank, or have ranked, in the top 10 percent, by grade point average, of his or her high school graduating class; or

''(B) achieve at least the minimum score, announced by the Secretary for this purpose by notice in the Federal Register, on 1 of the nationally administered, standardized tests identified by the Secretary; and

''(2) receive a Pell Grant under subpart 2 of this part for that academic year.

''(b) REQUIREMENTS FOR OTHER STUDENTS.—In order for a student who will be attending a year of postsecondary education, other than his or her first year, to be eligible to receive a scholarship under this chapter for that academic year, the student must—

''(1) be enrolled in a program of study of not less than 2 academic years in length that leads to a degree or certificate;

''(2) rank in the top 20 percent, by cumulative grade point average (or its equivalent, if the institution does not use a system of ranking its students by grade point averages), of his or her postsecondary education class as of the last academic year of study completed; and

''(3) receive a Pell Grant under subpart 2 of this part for that academic year.

''(c) PRIOR SCHOLARSHIPS.—Except in relation to the aggregate limits on the receipt of scholarships in section 409B(b)(2), a student's eligibility for a Presidential Achievement Scholarship for a given academic year is not dependent on whether the student received a Presidential Achievement Scholarship or a Pell Grant in the previous academic year.

''(d) FULL-TIME ATTENDANCE REQUIRED.—A student who is attending an institution of higher education on a less than full-time basis is not eligible to receive a Presidential Achievement Scholarship.

"SEC. 409D. AWARD PROCEDURES.

''(a) AWARD PROCEDURES.—(1) The Secretary shall establish the procedures through regulations by which Presidential Achievement Scholarships shall be awarded.

''(2) A participating institution of higher education shall provide such information as is required by the Secretary regarding a potential scholarship recipient's class rank or test score.

''(b) DEADLINES.—The Secretary shall specify, by notice in the Federal Register, the date after which no additional students may be considered for scholarships under this chapter for a given academic year. The Secretary shall then determine the total number of eligible applicants for that academic year, and, if necessary, apply the reduction procedures specified in section 409E(c).

''(c) DISBURSAL OF SCHOLARSHIP PROCEEDS.—Scholarship proceeds shall be disbursed on behalf of students who receive scholarships under this chapter to the institutions of higher education at which the students are enrolled. No scholarship proceeds shall be disbursed on behalf of a student until the student is enrolled at an institution of higher education.

"SEC. 409E. SCHOLARSHIP AMOUNT.

''(a) AMOUNT OF AWARD.—Except as provided in subsections (b) and (c), the amount of a scholarship awarded under this chapter for any academic year shall be $500.

''(b) RELATION TO COST OF ATTENDANCE AND OTHER ASSISTANCE.—Notwithstanding subsection (a), the amount of a scholarship awarded under this chapter shall be reduced, by the institution of higher education that the student is or will be attending, by the amount that the scholarship—

''(1) exceeds the student's cost of attendance, as defined in section 472; or

''(2) when combined with other Federal or non-Federal grant or scholarship assistance the student receives in any academic year, exceeds the student's cost of attendance, as defined in section 472.

''(c) ADJUSTMENTS FOR INSUFFICIENT APPROPRIATIONS.—If, after the Secretary determines the total number of eligible applicants for an academic year in accordance with section 409D(b), funds available in a fiscal year are insufficient to fully fund all awards for that academic year under this chapter, the amount paid to each student shall be reduced proportionately.

''CHAPTER 9—ADVANCED PLACEMENT FEE PAYMENT PROGRAM

"SEC. 410A. ADVANCED PLACEMENT FEE PAYMENT PROGRAM.

''(a) PROGRAM ESTABLISHED.—The Secretary shall carry out, by contract, a program which shall be designed to provide payments, to cover the cost of advance placement test fees, to low-income individuals who—

''(1) are enrolled in an advanced placement class; and

''(2) plan to take an advanced placement test.

''(b) INFORMATION DISSEMINATION.—The Secretary shall disseminate information on the availability of test fee payments under this section to eligible individuals through secondary school teachers and guidance counselors.

''(c) REQUIREMENTS FOR APPROVAL OF APPLICATIONS.—In approving applications for advance placement test fee payment under this section in any fiscal year, the contractor selected by the Secretary shall—

''(1) require that each such application contain a description of the advance placement test fees the Secretary is requested to pay;

''(2) require an assurance that any funds received under this section shall only be used to pay advanced placement test fees; and

''(3) contain such information as the contractor may require to demonstrate that the student is eligible for payments under this section.

''(d) SUPPLEMENTATION OF FUNDING.—Funds provided under this section shall be used to supplement and not supplant other Federal, State, and local funds available to assist low-income individuals in paying for advanced placement testing.

''(e) REGULATIONS.—The Secretary shall prescribe such regulations as are necessary to carry out this section.

''(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $3,600,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out the provisions of this section.

''(g) DEFINITION.—As used in this section, the term 'advanced placement test' includes only an advanced placement test approved by the Secretary for the purposes of this section.''.

(b) REFERENCE.—Reference in any provision of law (other than the Act) to subpart 1, 2, or 3 of part A of title IV of the Act shall, after the date of enactment of this Act, be deemed to refer to subpart 2, 3, or 4 of such part, respectively.

Subpart 5—Amendments to Subparts 5 Through 8 of Part A

SEC. 418. HEP/CAMP.

(a) ELIGIBLE PERSONS.—

(1) Section 418A(b)(1) of the Act is amended to read as follows:

''(1) recruitment services to reach persons who are 17 years of age and over who, themselves or whose parents have spent a minimum of 75 days during the past 24 months in migrant and seasonal farmwork or who have participated in programs under subpart 1 of part D of chapter 1 of title I of the Elementary and Secondary Education Act of 1965 or section 402 of the Job Training Partnership Act, and who lack a high school diploma or its equivalent;''.

(2) Section 418A(c)(1) of the Act is amended to read as follows:

''(1) outreach and recruitment services to reach persons who themselves or whose parents have spent a minimum of 75 days during the past 24 months in migrant and seasonal farmwork or who have participated in programs under subpart 1 of part D of chapter 1 of title I of the Elementary and Secondary Education Act of 1965 or section 402 of the Job Training Partnership Act, and who meet the minimum qualifications for attendance at a college or university;''.

(b) GRANT CYCLES.—Section 418A(e) of the Act is amended—

(1) in the subsection heading, by striking ''THREE-YEAR'' and inserting ''FIVE-YEAR''; and

(2) by striking ''3-year period'' and inserting ''5-year period''.

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 418A(g) of the Act is amended to read as follows:

''(g) AUTHORIZATION OF APPROPRIATIONS.—(1) There are authorized to be appropriated for the high school equivalency program $15,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

''(2) There are authorized to be appropriated for the college assistance migrant program $5,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.''.

SEC. 419. BYRD HONORS SCHOLARSHIP PROGRAM.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 419K of the Act is amended to read as follows:

''AUTHORIZATION OF APPROPRIATIONS

''SEC. 419K. There are authorized to be appropriated for this subpart $10,000,000 for fiscal year 1993 and such sums as may be necessary for the 4 succeeding fiscal years.''.

(b) DEFINITIONS.—Section 419B of the Act is repealed.

SEC. 420. REPEAL OF ASSISTANCE TO INSTITUTIONS OF HIGHER EDUCATION.

Subpart 7 of part A of title IV of the Act is repealed.

SEC. 420A. CHILD CARE SERVICES.

Section 420B(c) of the Act is amended by striking ''fiscal year 1987'' and inserting ''fiscal year 1993''.

PART B—FEDERAL FAMILY EDUCATION LOANS

SEC. 421. NAME OF PROGRAMS.

Part B of title IV of the Act is amended—

(1) by striking the heading of such part and inserting the following:

''PART B—FEDERAL FAMILY EDUCATION LOAN PROGRAM''; AND

(2) by striking section 421(c) and inserting the following:

''(c) DESIGNATION.—The program established under this part shall be referred to as the 'Federal Stafford Student Loan Program'. Loans made pursuant to sections 427 and 428 shall be known as 'Federal Stafford Loans'.''.

SEC. 422. GUARANTEE AUTHORITY CONTINGENT ON TIMELY RULEMAKING.

Section 421 of the Act is amended by inserting after subsection (c) the following new subsection:

''(d) LIMITATION ON AUTHORIZATION TO GUARANTEE NEW LOANS UNDER THIS PART.—Notwithstanding any other provision of this part, no new loan guarantees shall be issued after June 30, 1994, if the Secretary does not issue final regulations implementing the changes made to this part under the Higher Education Amendments of 1992 prior to that date. The authority to issue new loan guarantees shall resume upon the Secretary's issuance of such regulations.''.

SEC. 423. GUARANTY AGENCY FUNDING.

Section 422 of the Act is amended by adding at the end the following new subsection:

''(e) CORRECTION FOR ERRORS UNDER REDUCTION OF EXCESS CASH RESERVES.—

''(1) CORRECTION FOR ERRORS.—The Secretary shall pay any guaranty agency the amount of reimbursement of claims under section 428(c)(1), filed between September 1988 and December 31, 1989, which were previously withheld or canceled in order to be applied to satisfy such agency's obligation to eliminate excess cash reserves held by such agency, based on the maximum cash reserve (as defined in section 422(e) as in effect on September 1, 1988) permitted at the end of 1986, if such maximum cash reserve was miscalculated because of erroneous financial information provided by such agency to the Secretary if (A) such erroneous information is verified by an audited financial statement of the reserve fund, signed by a certified public accountant and (B) such audited financial statement is provided to the Secretary prior to January 1, 1993.

''(2) AMOUNT OF REIMBURSEMENT.—The amount of reimbursement for claims shall be equal to the amount of reimbursement for claims withheld or canceled in order to be applied to such agency's obligation to eliminate excess cash reserves, which exceeds the amount of that which would have been withheld or canceled, if the maximum excess reserves had been accurately calculated.''.

SEC. 424. GRADUATED REPAYMENT.

(a) FISL AMENDMENTS.—Section 427 of the Act is amended—

(1) in subsection (a)(2)—

(A) by striking ''and'' at the end of subparagraph (G);

(B) by redesignating subparagraph (H) as subparagraph (I); and

(C) by inserting after subparagraph (G) the following:

''(H) provides that, no more than 6 months prior to the date on which the borrower's first payment on a loan is due, the lender shall offer the borrower the option of repaying the loan in accordance with a graduated or income-sensitive repayment schedule established by the lender and approved by the Secretary; and''; and

(2) in subsection (c), by striking ''MINIMUM REPAYMENT RATE.—The total of the payments'' and inserting ''SPECIAL REPAYMENT RULES.—Except as provided in subsection (a)(2)(H), the total of the payments''.

(b) GSL AMENDMENTS.—Section 428(b)(1)(E) of the Act is amended to read as follows:

''(E) subject to subparagraphs (D) and (L), and except as provided by subparagraph (M), provides that—

''(i) not more than 6 months prior to the date on which the borrower's first payment is due, the lender shall offer the borrower of a loan made, insured or guaranteed under this section or section 428A, the option of repaying the loan in accordance with a graduated or income-sensitive repayment schedule established by the lender and approved by the Secretary;

''(ii) for the first 2 years of repayment, the borrower shall receive monthly statements that designate the principal and interest that has been repaid; and

''(iii) repayment of loans shall be in installments over a period of not less than 5 years (unless the student, during the 6 months immediately preceding the start of the repayment period, specifically requests that repayment be made over a shorter period) nor more than 10 years, beginning 6 months after the month in which the student ceases to carry at least one-half the normal full-time academic workload as determined by the institution;''.

SEC. 425. STUDY ABROAD.

(a) DISBURSEMENT.—

(1) INSURED LOANS.—Section 427(a)(3) of the Act is amended to read as follows:

''(3) the funds borrowed by a student are disbursed to the institution by check or other means that is payable to and requires the endorsement or other certification by such student, except—

''(A) nothing in this title shall be interpreted—

''(i) to allow the Secretary to require checks to be made copayable to the institution and the borrower; or

''(ii) to prohibit the disbursement of loan proceeds by means other than by check; and

''(B) in the case of students who are studying outside the United States in a program of study abroad that is approved for credit by the institution, the funds shall be delivered directly to the student and the checks may be endorsed pursuant to an authorized power-of-attorney; and''.

(2) GUARANTEED LOANS.—Section 428(b)(1)(N) of the Act is amended by striking ''except in the case of attendance at an institution outside the United States, the funds shall be delivered directly to the student;'' and inserting ''except in the case of students who are studying outside the United States in a program of study abroad that is approved for credit by the institution, the funds shall be delivered directly to the student and the checks may be endorsed pursuant to an authorized power-of-attorney;''.

(b) MULTIPLE DISBURSEMENT.—

(1) INSURED LOANS.—Section 427(b)(2) of the Act is amended by striking ''or made to a student to cover the cost of attendance at an eligible institution outside the United States'' and inserting before the period at the end thereof the following: ''or in a program of study abroad approved for credit by an eligible institution''.

(2) GUARANTEED LOANS.—Section 428G(e) of the Act is amended by striking ''made to a student to cover the cost of attendance at an eligible institution outside the United States'' and inserting ''made to a student enrolled in a program of study abroad approved for credit by an eligible institution''.

(c) LOAN AMOUNTS.—Section 428(b)(1)(A) of the Act is amended by inserting '', or in a program of study abroad approved for credit by the eligible institution'' after ''at an eligible institution''.

SEC. 426. APPLICABLE INTEREST RATES.

(a) PLUS LOAN INTEREST RATE.—Section 427A(c)(4) of the Act is amended by adding at the end the following new subparagraph:

''(D) Notwithstanding subparagraphs (A) through (C), for any loan made pursuant to section 428B and disbursed on or after July 1, 1993, the interest rate shall not exceed 10 percent.''.

(b) NEW BORROWER RATES.—Section 427A(d)(1) of the Act is amended by striking ''on the date of the disbursement of the loan'' and inserting ''on the date on which the repayment period begins, pursuant to section 428(b)(1)(E)''.

(c) EXCESS INTEREST PAYMENTS.—Section 427A(e) of the Act is amended—

(1) in paragraph (1)—

(A) by striking ''IN GENERAL'' and inserting ''EXCESS INTEREST ON 10 PERCENT LOANS'';

(B) by striking ''paragraph (3)'' and inserting ''paragraph (5)'';

(2) in paragraph (2), by inserting ''FOR 10 PERCENT LOANS'' after ''(2) AMOUNT OF ADJUSTMENT'';

(3) by redesignating paragraphs (3), (4), and (5) as paragraphs (5), (6), and (7), respectively;

(4) by inserting the following new paragraphs after paragraph (2):

''(3) EXCESS INTEREST ON 8 PERCENT LOANS.—If, with respect to a loan for which the applicable interest rate is 8 percent under subsection (d) of this section at the close of any calendar quarter, the sum of the average of the bond equivalent rates of 91-day Treasury bills auctioned for that quarter and 3.25 percent is less than 8 percent, then an adjustment shall be made—

''(A) by calculating excess interest in the amount computed under paragraph (4) of this subsection; and

''(B)(i) during any period in which a student is eligible to have interest payments paid on his or her behalf by the Government pursuant to section 428(a), by crediting the excess interest to the Government; or

''(ii) during any other period, by crediting such excess interest to the reduction of principal to the extent provided in paragraph (5) of this subsection.

''(4) AMOUNT OF ADJUSTMENT FOR 8 PERCENT LOANS.—The amount of any adjustment of interest on a loan to be made under this subsection for any quarter shall be equal to—

''(A) 8 percent minus the sum of (i) the average of the bond equivalent rates of 91-day Treasury bills auctioned for such calendar quarter, and (ii) 3.25 percent; multiplied by

''(B) the outstanding principal balance of the loan (not including unearned interest added to principal) at the end of such calendar quarter; divided by

''(C) four.'';

(5) in paragraph (5), as redesignated—

(A) by striking ''or by reducing the number of payments'' and inserting ''by reducing the number of payments''; and

(B) by striking the period at the end and inserting '', or by reducing the amount of the final payment of the loan. Nothing in this paragraph shall be construed to require the lender to make additional disclosures pursuant to section 433(b).''; and

(6) by striking paragraph (7), as redesignated.

SEC. 427. AMENDMENTS TO SECTION 428.

(a) LOANS THAT HAVE NOT BEEN CONSUMMATED.—Section 428(a) of the Act is amended by inserting after paragraph (6) the following new paragraph:

''(7) LOANS THAT HAVE NOT BEEN CONSUMMATED.—Lenders may not charge interest or receive interest subsidies for loans that have not been consummated (loans for which the disbursement checks have not been cashed).''.

(b) PRORATION OF LOAN ELIGIBILITY TO COURSE LOAD.—

(1) AMENDMENT.—Section 428(b)(1)(A) of the Act is amended by striking clauses (i), (ii), and (iii) and inserting the following:

''(i) in the case of a student at an eligible institution who has not successfully completed the first and second year of a program of undergraduate education—

''(I) $2,625, if such student is enrolled in a program whose length is one academic year in length (as provided for in section 481(d));

''(II) $1,750, if student is enrolled in a program whose length is at least ⅔ of an academic year; and

''(III) $875, if such student is enrolled in a program whose length is less than ⅔, but at least ⅓, of an academic year (as provided for in section 481(b));

''(ii) in the case of a student at an eligible institution who has successfully completed such first and second year but has not successfully completed the remainder of a program of undergraduate study—

''(I) $4,000, if such student is enrolled in a program whose length is one academic year in length (as provided for in section 481(d));

''(II) $2,675, if such student is enrolled in a program whose length is at least ⅔ of an academic year; and

''(III) $1,350, if such student is enrolled in a program whose length is less than ⅔, but at least ⅓, of an academic year (as provided for in section 481(b)); and

''(iii) in the case of a graduate or professional student (as defined in regulations of the Secretary) at an eligible institution, $7,500;''.

(2) CONFORMING AMENDMENT.—Section 425(a)(1) of the Act is amended by striking clauses (i), (ii), and (iii) of subparagraph (A) and inserting the following:

''(i) in the case of a student at an eligible institution who has not successfully completed the first and second year of a program of undergraduate education—

''(I) $2,625, if such student is enrolled in a program whose length is one academic year in length (as provided for in section 481(d));

''(II) $1,750, if such student is enrolled in a program whose length is at least ⅔ of an academic year; and

''(III) $875, if such student is enrolled in a program whose length is less than ⅔, but at least ⅓, of an academic year (as provided for in section 481(b));

''(ii) in the case of a student at an eligible institution who has successfully completed such first and second year but has not successfully completed the remainder of a program of undergraduate study—

''(I) $4,000, if such student is enrolled in a program whose length is one academic year in length (as provided for in section 481(d));

''(II) $2,675, if such student is enrolled in a program whose length is at least ⅔ of an academic year; and

''(III) $1,350, if such student is enrolled in a program whose length is less than ⅔, but at least ⅓, of an academic year (as provided for in section 481(b)); and

''(iii) in the case of a graduate or professional student (as defined in regulations of the Secretary) at an eligible institution, $7,500.''.

(c) MINIMUM PAYMENT FOR MARRIED COUPLES; MINIMUM PAYMENT OF INTEREST.—

(1) GSL AMENDMENT.—Section 428(b)(1)(L)(i) of the Act is amended by striking '', except that, in the case of a husband and wife'' and all that follows through ''whichever is less'' and inserting ''(but in no instance less than the amount of interest due and payable)''.

(2) FISL AMENDMENT.—Section 427(c) of the Act is further amended by striking '', except that in the case of a husband and wife'' and all that follows through ''whichever is less'' and inserting ''(but in no instance less than the amount of interest due and payable)''.

(d) DEFERMENTS.—

(1) AMENDMENT.—Section 428(b)(1)(M) of the Act is amended—

(A) in the matter preceding clause (i), by inserting ''by the Secretary'' after ''shall accrue and be paid'';

(B) in clause (i), by striking ''for which the student has obtained a loan under this part''; and

(C) by striking clauses (ii) through (xi) and inserting the following:

''(ii) not in excess of 24 months at the request of the borrower, during which the borrower is seeking and unable to find full-time employment; and

''(iii) not in excess of 36 months for any reason which the lender deems will cause economic hardship for the borrower, pursuant to regulation by the Secretary, who shall consider the borrower's income and debt-to-income ratio as primary factors in promulgating such regulations;

except that, for the purposes of clause (i), an eligible institution includes institutions ineligible for participation in programs under this part under section 435(a)(2);''.

(2) CONFORMING AMENDMENT.—Section 427(a)(2)(C) of the Act is amended by striking clauses (ii) through (xi) and inserting the following:

''(ii) not in excess of 24 months at the request of the borrower, during which the borrower is seeking and unable to find full-time employment; and

''(iii) not in excess of 36 months for any reason which the lender deems will cause economic hardship for the borrower, pursuant to regulation by the Secretary, who shall consider the borrower's income and debt-to-income ratio as primary factors in promulgating such regulations;

except that, for the purposes of clause (i), an eligible institution includes institutions ineligible for participation in programs under this part under section 435(a)(2),''.

(e) EXCLUSION OF FORBEARANCE FROM REPAYMENT PERIOD CALCULATION.—Subparagraphs (D) and (E) of section 428(b)(1) of the Act are amended to read as follows:

''(D) provides that (i) the student borrower shall be entitled to accelerate without penalty the whole or any part of an insured loan, (ii) the repayment period of any insured loan may not exceed 10 years, and (iii) the note, or other written evidence of any loan, may contain such reasonable provisions relating to repayment in the event of default by the borrower as may be authorized by regulations of the Secretary in effect at the time such note or written evidence was executed;

''(E) subject to subparagraph (D)(i), provides that repayment of loans shall be in installments over a period of not less than 5 years (unless the student, during the 6 months preceding the start of the repayment period, specifically requests that repayments be made over a shorter period) nor more than 10 years beginning 6 months after the month in which the student ceases to carry at least one-half the normal full-time academic workload as determined by the institution;''.

(f) CONSEQUENCES OF LS&T ACTIONS.—Section 428(b)(1)(T) is amended to read as follows:

''(T) authorize (i) the limitation of the total number of loans or volume of loans, made under this part to students attending a particular eligible institution during any academic year; and (ii) the limitation, suspension, or termination of the eligibility of an eligible institution if—

''(I) such institution is ineligible under regulations for the emergency action, limitation, suspension, or termination of eligible institutions under regulations issued by the Secretary or is ineligible pursuant to criteria, rules, or regulations issued under the student loan insurance program which are substantially the same as regulations with respect to emergency action, limitation, suspension, or termination of such eligibility issued by the Secretary;

''(II) there is a State constitutional prohibition affecting the eligibility of such an institution;

''(III) such institution fails to make timely refunds to students as required by regulations issued by the Secretary or has not satisfied within 30 days of issuance a judgment obtained by a student;

''(IV) such institution or an owner, director, or officer of such institution is found guilty in any criminal, civil or administrative proceeding or such institution or an owner, director, or officer of such institution is found liable in any civil or administrative proceeding regarding the obtaining, maintenance, or disbursement of State or Federal grant, loan, or work assistance funds; or

''(V) such institution or an owner, director, or officer of such institution has unpaid financial liabilities involving the improper acquisition, expenditure, or refund of State or Federal financial aid funds;

except that, if a guaranty agency limits, suspends, or terminates the participation of an eligible institution, the Secretary shall apply that limitation, suspension, or termination to all institutions with the Department of Education institution identification code of such institution, unless the Secretary finds within 30 days of notification of the action by the guaranty agency that the guaranty agency's action did not comply with the requirements of this section;''.

(g) AUDITS OF LENDERS.—Section 428(b)(1)(U) of the Act is amended—

(1) in clause (i), by striking out ''and'' at the end thereof;

(2) by inserting before the semicolon at the end thereof the following: '', and (iii) for (I) a compliance audit of a lender at least once a year and covering the period since the most recent audit, conducted by a qualified, independent organization or person in accordance with standards established by the Comptroller General for the audit of governmental organizations, programs, and functions, and as prescribed in regulations of the

Secretary, the results of which shall be submitted to the Secretary, or (II) with regard to a lender that is audited under chapter 75 of title 31, United States Code, such audit shall be deemed to satisfy the requirements of subclause (I) for the period covered by such audit;''.

(h) CREDIT CHECKS; CONFESSION OF JUDGMENT.—

(1) GSL PROGRAM.—Section 428(b)(1) of the Act is amended—

(A) by striking subparagraphs (W) and (X); and

(B) by redesignating subparagraph (Y) (as added by section 423(b)(3) of this Act) as subparagraph (W).

(2) FISL PROGRAM.—Section 427(a)(2)(A) of such Act is amended to read as follows:

''(A) is made without security and without endorsement, except that if the borrower is a minor and such note or other written agreement executed by the borrower would not, under the applicable law, create a binding obligation, endorsement may be required;''.

(i) PARTICIPATION AGREEMENTS BETWEEN GUARANTY AGENCIES AND INSTITUTIONS.—Section 428(b)(1) is amended by adding at the end thereof the following new subparagraph:

''(X) provides for a participation agreement between the guaranty agency and each eligible institution within its designated service area.''.

(j) AUDITS OF GUARANTY AGENCIES.—Section 428(b)(2)(D)(i) of the Act is amended by striking out ''at least once every 2 years'' and inserting in lieu thereof ''on at least an annual basis''.

(k) NOTICE TO BORROWER OF LOAN SALE.—Section 428(b)(2) of the Act is amended—

(1) by striking ''and'' at the end of subparagraph (D);

(2) by striking the period at the end of subparagraph (E) and inserting a semicolon; and

(3) by adding at the end the following new subparagraphs:

''(F) provide that if the sale, other transfer, or assignment of a loan made under this part to another holder will result in a change in the identity of the party to whom the borrower must send subsequent payments, the transferor and the transferee shall, no later than 45 days from the date the transferee acquires a legally enforceable right to receive payment from the borrower on such loan, each provide a separate notice to the borrower of—

''(i) the sale or other transfer;

''(ii) the identity of the transferee;

''(iii) the name and address of the party to whom subsequent payments must be sent; and

''(iv) the telephone numbers of both the transferor and the transferee; and

''(G) provide that, upon the request of the last institution attended by the borrower prior to the beginning of the repayment of any loan made under this part, the transferor and transferee shall provide such institution with a copy of the notices required by subparagraph (F).''.

(l) GUARANTY AGENCY INCENTIVE PAYMENTS.—Section 428(b)(3) of the Act is amended—

(1) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively; and

(2) by inserting after subparagraph (A) the following new subparagraph:

''(B) offer, directly or indirectly, any premium, payment, or other inducement to any lender, or any agent or employee of any lender, in order to secure the designation of that guaranty agency loans made under this part (other than a loan made under section 428H);''.

(m) ELIMINATION OF TEACHER DEFERMENT.—Section 428(b) of the Act is amended by striking paragraph (4) and redesignating paragraphs (5) and (6) as paragraph (4) and (5), respectively.

(n) PROCEDURES FOR DEFERMENTS.—Section 428(b)(4) of the Act (as redesignated) is amended by adding at the end thereof the following new sentence: ''Requests for deferment of repayment of loans under this part by students engaged in graduate or postgraduate fellowship-supported study (such as pursuant to a Fulbright grant) outside the United States may be approved until completion of the period of the fellowship.''.

(o) RESTRICTIONS ON GUARANTY AGENCY OFFICERS AND EMPLOYEES.—Section 428(b) of the Act is amended by adding at the end the following new paragraph:

''(6) CONFLICT-OF-INTEREST PROCEDURES.—Each guaranty agency shall, in accordance with regulations prescribed by the Secretary, establish procedures to—

''(A) require each policymaking or contracting officer or employee to make such financial disclosures as may be necessary to enable the guaranty agency to determine whether such officer or employee has a direct financial interest in, or serves as an officer or employee of, any eligible lender, secondary market maker, contractor, or service provider with which the guaranty agency does business;

''(B) conduct such investigations as may be necessary concerning any allegation of conduct described in subparagraph (A);

''(C) determine whether such conduct poses an actual conflict of interest which could harm the operations of such agency: *Provided*, That compliance with applicable State law and regulation is not deemed in and of itself a conflict of interest;

''(D) impose such remedies as be necessary to prevent such harm;

''(E) report the results of such investigations and determinations, and identify the remedies imposed, in reports to the Secretary; and

''(F) take such corrective actions as the Secretary may require after review of such reports, including payments of such civil penalties as the Secretary may impose upon the guaranty agency for a substantial failure to correct.''.

(p) INFORMATION FROM STATE LICENSING BOARDS.—Section 428(b) of the Act is further amended by adding at the end the following new paragraphs:

''(7) STATE GUARANTY AGENCY INFORMATION REQUEST OF STATE LICENSING BOARDS.—Each guaranty agency is authorized to enter into agreements with each appropriate State licensing board under which the State licensing board, upon request, will furnish the guaranty agency with the address of a student borrower in any case in which the location of the student borrower is unknown or unavailable to the guaranty agency.

''(8) REPAYMENT PERIOD.—(A) In the case of a loan made under section 427 or 428, the repayment period shall begin on the day immediately following the expiration of the period of time, specified in section 428(b)(1)(E), after the student ceases to carry the required academic workload, unless the borrower requests and is granted a repayment schedule that provides for repayment to commence at an earlier point in time, and shall exclude any period of authorized deferment or forbearance.

''(B) In the case of a loan made under section 428A, the repayment period shall begin on the day the loan is disbursed, or, if the loan is disbursed in multiple installments, on the day of the last such disbursement, and shall exclude any period of authorized deferment or forbearance.

''(C) In the case of a loan made under section 428B or 428C, the repayment period shall begin on the day the loan is disbursed, and shall exclude any period of authorized deferment or forbearance.''.

(q) GUARANTY AGENCY AGREEMENTS.—Section 428(c)(1)(A) of the Act is amended by striking out the period at the end thereof and inserting in lieu thereof a comma and ''or later than 45 days after the guaranty agency discharges its insurance obligation on the loan.''.

(r) ADDITIONAL REVIEW OF EXCEPTIONAL PERFORMANCE PROHIBITED.—Section 428(c)(1) is amended by adding at the end the following new subparagraph:

''(D) Reimbursements of losses made by the Secretary on loans submitted for claim by an eligible lender, or guaranty agency designated for exceptional performance under paragraph (10) of this subsection shall not be subject to additional review by the Secretary or repurchase by the guaranty agency for any reason other than a determination by the Secretary that the eligible lender, or guaranty agency engaged in fraud or other purposeful misconduct in obtaining designation for exceptional performance.''.

(s) BORROWER LOCATION.—Section 428(c)(2) of the Act is amended—

(1) by striking ''and'' at the end of subparagraph (F);

(2) by redesignating subparagraph (G) as subparagraph (H): and

(3) by inserting after subparagraph (F) the following new subparagraph:

''(G) set forth assurances that the guaranty agency has established and implemented procedures providing for the submission to institutions of higher education of lists of borrowers on which the guaranty agency has received default claims for the purpose of providing the institution that the borrower has indicated as having last attended with an opportunity to comment on the accuracy of the list prior to claims for reinsurance being filed with the Secretary; and''.

(t) FORBEARANCE.—(1) Section 428(b)(1)(V) of the Act is amended—

(A) by striking out ''and'' at the end of clause (i);

(B) by striking the period at the end of clause (ii) and inserting a semicolon; and

(C) by inserting after clause (ii) the following new clauses:

''(iii) provides that, upon written request, a lender shall grant a borrower forbearance of principal and interest (or principal only at the option of the borrower) and renewable at 12-month intervals for a period not to exceed 3 years, on such terms as are otherwise consistent with the regulations of the Secretary set forth in writing by the parties to the loan, if the borrower's debt burden under this title equals or exceeds 20 percent of gross income; and

''(iv) provides that the form of forbearance granted by the lender for purposes of this subparagraph shall be the temporary cessation of payments, unless the borrower selects forbearance in the form of an extension of time for making payments, or smaller payments than were previously scheduled.''.

(2) Section 428(c)(3) of the Act is amended to read as follows:

''(3) FORBEARANCE.—A guaranty agreement under this subsection—

''(A) shall contain provisions providing for forbearance in accordance with subsection (b)(1)(V) for the benefit of the student borrower serving in a medical or dental internship or residency program;

''(B) shall contain provisions which require forbearance for the benefit of the borrower when such a borrower has indicated his or her willingness to pay in accordance with the terms of the loan, but has demonstrated his or her present inability to do so; and

''(C) shall contain provisions that specify that the form of forbearance granted by the lender for purposes of this paragraph shall be the temporary cessation of payments, unless the borrower selects forbearance in the form

of an extension of time for making payments, or smaller payments than were previously scheduled.

Guaranty agencies shall not be precluded from permitting the parties to such a loan from entering into a forbearance agreement solely because the loan is in default. The Secretary shall permit lenders to exercise administrative forbearances, not requiring the agreement of the borrower, under conditions authorized by the Secretary, which shall include, but not be limited to, forbearances for borrowers who are delinquent at the time of the granting of an authorized period of deferment under section 428(b)(1)(M) or 427(a)(2)(C) and forbearances for borrowers on loans which are sold or transferred, if the borrower is less than 60 days delinquent on such loans at the time of sale or transfer.''.

(u) THIRD PARTY SERVICER.—Section 428(c)(6)(C)(iii) of the Act is amended by striking out ''servicer'' each place it appears and inserting in lieu thereof ''third party servicer''.

(v) SPECIAL RULES FOR EXCEPTIONAL PERFORMANCE IN LOANS COLLECTION BY ELIGIBLE LENDERS, AND GUARANTY AGENCIES.—Section 428(c) of the Act is amended by adding at the end thereof the following new paragraph:

''(10) SPECIAL INSURANCE RULES FOR CERTAIN ELIGIBLE LENDERS; SPECIAL REINSURANCE RULES FOR GUARANTY AGENCIES.—(A) Whenever the Secretary determines that an eligible lender or guaranty agency has a compliance performance rating with respect to due diligence in the collection of loans insured under this part for each year for which the determination is made which equals, or exceeds, 95 percent of all due diligence requirements with respect to such loans serviced during the period by the eligible lender, or on which loan collection was attempted by the guaranty agency, the Secretary shall designate the eligible lender or guaranty agency, as the case may be, for exceptional performance. The Secretary shall notify each appropriate guaranty agency of the eligible lenders designated under this paragraph.

''(B)(i) Each guaranty agency shall pay each eligible lender designated under subparagraph (A) 100 percent of the unpaid principal and interest of all loans for which claims are submitted for payment by that eligible lender for the one-year period following the receipt by the guaranty agency of the notification of designation under this paragraph.

''(ii) The Secretary shall pay to each guaranty agency designated under subparagraph (A) the appropriate percentage under paragraph (1)(B) of this subsection for the one-year period following the receipt by the guaranty agency of the notification of designation under this paragraph.

''(C)(i) Each eligible lender desiring a designation under subparagraph (A) shall have a financial and compliance audit of the loan portfolio of such eligible lender conducted annually by a qualified independent organization or person in accordance with standards established by the Comptroller General and the Secretary. The standards shall include a defined statistical sampling technique designed to measure the performance rating of the eligible lender for the purpose of this paragraph. Each eligible lender shall submit the audit required by this paragraph to the Secretary and to each appropriate guaranty agency.

''(ii) Each appropriate guaranty agency shall provide the Secretary with such other information in its possession regarding an eligible lender desiring designation as may relate to the Secretary's determination under subparagraph (A).

''(iii) The Secretary shall make the determination under subparagraph (A) based upon the audits submitted under this paragraph and such other information as the appropriate guaranty agency provides under clause (ii). If the results of the audit are not persuasively rebutted by such other information, the Secretary shall inform the eligible lender and the appropriate guaranty agency that its application for designation as an exceptional eligible lender has been approved.

''(iv) Each eligible lender shall pay for all of the costs of the audits required by this subparagraph.

''(v) Designation as an exceptional eligible lender may be revoked at any time by the Secretary upon 60 days notice and an opportunity for a hearing before the Secretary if the Secretary determines that the eligible lender has failed to maintain an overall level of regulatory compliance consistent with the audit submitted by the eligible lender under this paragraph.

''(D)(i) Each guaranty agency desiring a designation under subparagraph (A) shall have a financial and compliance audit of the defaulted loan portfolio of such agency conducted annually by a qualified independent organization or person in accordance with standards established by the Comptroller General and the Secretary. The standards shall include defined statistical sampling techniques designed to measure the performance rating of the guaranty agency for the purpose of this paragraph. Each guaranty agency shall submit the audit required by this subparagraph to the Secretary.

''(ii) The Secretary shall make the determination under subparagraph (A) based upon the audits submitted under this subparagraph and other information in his possession. If the results of the audit are not persuasively rebutted by such other information, the Secretary shall inform the guaranty agency that its application for designation as an exceptional guaranty agency has been approved.

''(iii) Each guaranty agency shall pay for all of the costs of the audits required by this paragraph.

''(iv) Designation as an exceptional guaranty agency may be revoked by the Secretary upon 60 days notice and an opportunity for a hearing before the Secretary upon a finding by the Secretary that the guaranty agency has failed to maintain an overall level of regulatory compliance by the guaranty agency under this paragraph.

''(E) For purposes of this paragraph, the term 'due diligence requirements' means the activities required to be performed by lenders on delinquent loans under regulations establishing requirements for due diligence by lenders in the collection of guarantee agency loans and the activities required to be performed by guaranty agencies on collection of defaulted loans under fiscal administrative and enforcement requirements issued by the Secretary and any related or successor regulations.

''(F) Nothing in this paragraph shall be construed (i) to affect the processing of claims on student loans of eligible lenders not subject to this paragraph, or (ii) to limit the authority of the Secretary to approve more than one standard of due diligence in the collection of loans insured under this part.''.

(w) COST OF LENDER PARTICIPATION PROMOTION.—Section 428(f)(1)(A)(i) of the Act is amended by striking ''commercial lender'' and inserting ''eligible lender''.

(x) INCOME CONTINGENT REPAYMENT.—

(1) ESTABLISHMENT OF REPAYMENT MECHANISM.—Section 428 of the Act is amended by adding at the end the following new subsection:

''(m) INCOME CONTINGENT REPAYMENT.—

''(1) ESTABLISHMENT OF TERMS AND CONDITIONS.—The Secretary may establish by regulation terms and conditions requiring the income contingent repayment of loans that are required to be repaid under this subsection. Such regulations shall specify the schedules under which the borrower's income will be assessed for repayment of loans, shall permit the discharge of remaining obligation on the loan not later than 25 years after the commencement of income contingent repayment, and may provide for the potential collection of amounts in excess of the principal and interest owed on the original loan or loans.

''(2) COLLECTION MECHANISM.—The Secretary shall, to the extent funds are available therefor, enter into one or more contracts or other agreements with private firms or other agencies of the Government as necessary to carry out the purposes of this subsection. The regulations required by paragraph (1) shall not be effective unless the Secretary publishes a finding that—

''(A) the Secretary has, pursuant to this paragraph, established a collection mechanism that will provide a high degree of certainty that collections will be made in accordance with the repayment option established under paragraph (1); and

''(B) the use of such repayment option and collection mechanism will result in an increase in the net amount the Government will collect.

''(3) LOANS FOR WHICH INCOME CONTINGENT REPAYMENT IS REQUIRED.—A loan made under this part (other than under section 428B) is required to be repaid under this section if—

''(A) the note or other evidence of the loan contains a notice that it is subject to repayment under this subsection;

''(B) the note or other evidence of the loan has been assigned to the Secretary for collection pursuant to subsection (b)(8); and

''(C) the Secretary has published the finding required by paragraph (2) of this subsection.

''(4) ADDITIONAL AUTHORITY.—The Secretary is authorized to prescribe such regulations as are necessary to carry out the purposes of this section and to protect the Federal fiscal interest.''.

(b) CONFORMING AMENDMENT.—Section 428(b)(1)(D) is amended by inserting before the semicolon at the end thereof the following: '', and shall contain a notice that repayment may, following a default by the borrower, be subject to repayment in accordance with the regulations required by subsection (m) if the Secretary has published the finding required by paragraph (2) of such subsection''.

SEC. 428. SUPPLEMENTAL LOAN PROGRAM.

(a) NAME OF THE PROGRAM.—Section 428A of the Act is amended by striking the heading of such section and inserting the following:

''FEDERAL SUPPLEMENTAL LOANS FOR STUDENTS''.

(b) COORDINATION OF STAFFORD AND SLS REPAYMENT.—Section 428A(c)(1) of the Act is amended by adding at the end the following new sentence: ''In the case of a borrower under this section who is also a borrower under a program of student loan insurance covered by an agreement under sections 427 or 428(b), the repayment period shall commence six months after the student ceases to carry at an eligible institution at least one-half the normal full-time academic workload, as determined by the institution, except that interest shall begin to accrue, and shall be paid in accordance with paragraph (2), notwithstanding such delay in the commencement of the repayment period.''.

(c) CAPITALIZATION OF INTEREST.—Section 428A(c)(2) of the Act is amended to read as follows:

''(2) CAPITALIZATION OF INTEREST.—Interest on loans made under this section which are disbursed in installments, for which pay-

ments of principal are deferred under sections 427(a)(2)(C)(i) and 428(b)(1)(M)(i), or for which the commencement of the repayment period is delayed in accordance with paragraph (1) to coincide with the commencement of the repayment period of a loan made under section 427 or 428, shall, if agreed upon by the borrower and the lender (A) be paid monthly or quarterly, or (B) be added to the principal amount of the loan no more frequently than quarterly by the lender. Such capitalization of interest shall not be deemed to exceed the annual insurable limit on account of the student.''.

(d) LIMITATION.—Section 428A of the Act is amended by adding at the end the following new subsection:

''(e) LIMITATION.—No student shall be eligible to borrow funds under this section if the student is enrolled in an undergraduate degree or nondegree program of less than 2 academic years in an institution of higher education as defined in section 481(b) unless the student is ineligible to receive a Stafford loan.''.

SEC. 429. PLUS LOANS.

(a) NAME OF THE PROGRAM.—Section 428B of the Act is amended by striking the heading of such section and inserting the following:

''FEDERAL PLUS LOANS''.

(b) CHECKS COPAYABLE.—Section 428B of the Act is amended—

(1) in subsection (a)—

(A) by striking ''subsections (c) and (d)'' and inserting ''subsections (c), (d), and (e)''; and

(B) by inserting after ''Parents of a dependent student'' the following: '', who have no adverse credit history determined pursuant to regulations of the Secretary,''; and

(2) in subsection (b)—

(A) by striking the subsection designation and heading and paragraphs (1) and (2); and

(B) by redesignating paragraph (3) as subsection (b);

(3) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(4) by inserting after subsection (b) the following new subsection:

''(c) PLUS LOAN DISBURSEMENT.—All loans made under this section shall be disbursed by—

''(1) an electronic transfer of funds from the lender to the eligible institution; or

''(2) making the loan copayable to the eligible institution and the parent borrower.''.

(c) LIMITATION OF DEFERRAL.—Section 428B(d)(1) of the Act (as redesignated) is amended to read as follows:

''(1) COMMENCEMENT OF REPAYMENT.—Repayment of principal on loans made under this section shall commence not later than 60 days after the date such loan is disbursed by the lender, subject to deferral during any period during which the parent meets the conditions required for a deferral under section 427(a)(2)(C) or 428(b)(1)(M).''.

(d) CAPITALIZATION OF INTEREST.—Section 428B(d)(2) of the Act (as redesignated) is amended to read as follows:

''(2) CAPITALIZATION OF INTEREST.—Interest on loans made under this section for which payments of principal are deferred pursuant to paragraph (1) of this subsection shall, if agreed upon by the borrower and the lender (A) be paid monthly or quarterly, or (B) be added to the principal amount of the loan no more frequently than quarterly by the lender. Such capitalization of interest shall not be deemed to exceed the annual insurable limit on account of the student.''.

SEC. 430. CONSOLIDATION LOANS.

(a) NAME OF THE PROGRAM.—Section 428C of the Act is amended by striking the heading of such section and inserting the following:

''FEDERAL CONSOLIDATION LOANS''.

(b) USE OF CONSOLIDATION TO AVOID DEFAULT.—

(1) ELIGIBLE BORROWER.—(A) Section 428C(a)(3)(A)(i) is amended by striking ''$5,000'' and inserting in lieu thereof ''$10,000''.

(B) Section 428C(a)(3)(A)(ii) is amended to read as follows:

''(ii) is in repayment status, or in a grace period preceding repayment, or is a delinquent or defaulted borrower who will reenter repayment through loan consolidation.''.

(2) ELIGIBLE LOANS.—Section 428C(a)(4)(A) of the Act is amended to read as follows:

''(A) made, insured, or guaranteed under this part, including loans on which the borrower has defaulted (but has made arrangements to repay the obligation on the defaulted loans satisfactory to the Secretary or guaranty agency, whichever insured the loans), except for loans made to parent borrowers under section 428B as in effect prior to the enactment of the Higher Education Amendments of 1986;''.

(c) EXTENSION OF CONSOLIDATION ELIGIBILITY PERIOD.—Section 428C(a)(3)(B) is amended by striking the first sentence and inserting the following: ''An individual's status as an eligible borrower under this section terminates upon receipt of a consolidation loan under this section except (i) that loans received prior to the date of the consolidation loan may be added to the consolidation loan during the 180-day period following the making of the consolidation loan; and (ii) with respect to eligible student loans received after the date of receipt of the consolidation loan.''.

(d) CONSOLIDATION OF LOANS OF MARRIED BORROWERS.—Section 428C(a)(3) of the Act is amended by adding at the end the following new subparagraph:

''(C)(i) A married couple, each of whom has eligible student loans, may be treated as if they were an individual borrowing under subparagraphs (A) and (B) if they agree to be held jointly and severally liable for the repayment of a consolidation loan, without regard to the amounts of their respective loan obligations that are to be consolidated, and without regard to any subsequent change that may occur in their marital status.

''(ii) Only one spouse in a married couple applying for a consolidation loan under this subparagraph need meet any of the requirements of subparagraph (A) of this section, except that each spouse shall (I) individually make the initial certification that no other application is pending provided for in subsection (b)(1)(A), and (II) agree to notify the holder concerning any change of address as provided for in subsection (b)(4).''.

(e) INTEREST DURING DEFERRAL.—Section 428C(b)(4)(C) of the Act is amended to read as follows:

''(C) provides that periodic installments of principal need not be paid, but interest shall accrue and be paid by the Secretary, during any period for which the borrower would be eligible for a deferral under section 428(b)(1)(M);''.

(f) REPAYMENT SCHEDULES.—Section 428C(c)(2) of the Act is amended by—

(1) striking ''may'' in the first sentence and inserting ''shall''; and

(2) by striking the second sentence and inserting the following: ''Such repayment terms shall require that if the sum of the consolidation loan and the amount outstanding on other student loans to the individual—

''(i) is equal to or greater than $10,000 but less than $20,000, then such consolidation loan shall be repaid in not more than 15 years;

''(ii) is equal to or greater than $20,000 but less than $40,000, then such consolidation loan shall be repaid in not more than 20 years;

''(iii) is equal to or greater than $40,000 but less than $60,000, then such consolidation loan shall be repaid in not more than 25 years; or

''(iv) is equal to or greater than $60,000, then such consolidation loan shall be repaid in not more than 30 years.''.

SEC. 430A. DEFAULT REDUCTION PROGRAMS.

Section 428F of the Act (20 U.S.C. 1078–6) is amended—

(1) by striking subsection (a);

(2) in subsection (b)—

(A) in subparagraph (A) of paragraph (1)—

(i) by striking ''Upon'' and inserting ''Each guaranty agency shall enter into an agreement with the Secretary which shall provide that upon''; and

(ii) by adding at the end the following new sentence: ''Neither the guaranty agency nor the Secretary shall demand from a borrower as monthly payment amounts referred to in this paragraph more than is reasonable and affordable based upon the borrower's total financial circumstances.''; and

(B) in paragraph (3), by inserting ''or grants'' after ''loans'';

(3) by redesignating subsection (b) (as amended in paragraph (2)) as subsection (a); and

(4) by adding at the end the following new subsection:

''(b) SPECIAL RULE.—Each guaranty agency shall establish a program which allows a borrower with a defaulted loan or loans to renew their eligibility for all title IV student financial assistance (regardless of whether their defaulted loan has been sold to an eligible lender) upon the borrower's payment of 6 consecutive monthly payments. The guaranty agency shall not demand from a borrower as a monthly payment amount under this subsection more than is reasonable and affordable based upon the borrower's total financial circumstances.''.

SEC. 431. DISBURSEMENT RULES.

(a) MONTHLY OR WEEKLY DISBURSEMENT.—Section 428G(c) of the Act is amended—

(1) by striking ''and'' at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2) and inserting ''; and''; and

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

''(3) Notwithstanding subsection (a)(2), may, with the permission of the borrower, be disbursed on a weekly or monthly basis, provided that the proceeds of the loan are disbursed in substantially equal weekly or monthly installments, as the case may be, over the period of enrollment for which the loan is made.''.

(b) OVERAWARD ADJUSTMENTS.—Section 428G(d)(2) of the Act is amended by inserting before the period at the end of the first sentence the following: '', except that overawards permitted pursuant to section 443(b)(4) of the Act shall not be construed to be overawards for purposes of this paragraph''.

SEC. 432. UNSUBSIDIZED LOANS; EXTENDED COLLECTION DEMONSTRATION PROGRAM.

Part B of title IV of the Act is amended by inserting after section 428G the following new sections:

''UNSUBSIDIZED STAFFORD LOANS FOR MIDDLE-INCOME BORROWERS

''SEC. 428H. (a) IN GENERAL.—It is the purpose of this section to authorize insured loans under this part for borrowers who do not qualify for Federal interest subsidy payments under section 428 of this Act. Except as provided in this section, all terms and conditions for Federal Stafford loans established under section 428 shall apply to loans made pursuant to this section.

''(b) ELIGIBLE BORROWERS.—Any student meeting the definition of student eligibility under section 484 shall be entitled to borrow an unsubsidized Stafford loan. Such student

shall provide to the lender a statement from the eligible institution at which the student has been accepted for enrollment, or at which the student is in attendance, which—

''(1) sets forth such student's estimated cost of attendance (as determined under section 472);

''(2) sets forth such student's estimated financial assistance, including a loan which qualifies for subsidy payments under section 428 (as defined in section 428(a)(2)(C)(i)); and

''(3) certifies the eligibility of the student to receive a loan under this section and the amount of the loan for which such student is eligible, in accordance with subsection (c).

''(c) DETERMINATION OF AMOUNT OF LOAN.—The determination of the amount of a loan by an eligible institution under subsection (b) shall be calculated by subtracting from the estimated cost of attendance at the eligible institution any estimated financial assistance reasonably available to such student. An eligible institution may not, in carrying out the provisions of subsection (b) of this section, provide a statement which certifies the eligibility of any student to receive any loan under this section in excess of the maximum amount applicable to such loan.

''(d) LOAN LIMITS.—The annual and aggregate limits for loans under this section shall be the same as those established under section 428(b)(1), less any amount received by such student pursuant to the subsidized Stafford Loan Program established under section 428.

''(e) PAYMENT OF PRINCIPAL AND INTEREST.—

''(1) COMMENCEMENT OF REPAYMENT.—Repayment of principal on loans made under this section shall commence 6 months after the month in which the student ceases to carry at least one-half the normal full-time workload as determined by the institution.

''(2) CAPITALIZATION OF INTEREST.—Interest on loans made under this section for which payments of principal are not required during the in-school and grace periods or are deferred under sections 427(a)(2)(C) and 428(b)(1)(M) shall, if agreed upon by the borrower and the lender (A) be paid at least quarterly or (B) be added to the principal amount of the loan on a quarterly basis by the lender. Such capitalization of interest shall not be deemed to exceed the annual insurable limit on account of the student.

''(3) SUBSIDIES PROHIBITED.—No payments to reduce interest costs shall be paid pursuant to section 428(a) of this part on loans made pursuant to this section.

''(4) APPLICABLE RATES OF INTEREST.—Interest on loans made pursuant to this section shall be at the applicable rate of interest provided in section 427A(d).

''(f) INSURANCE PREMIUM.—

''(1) AMOUNT OF INSURANCE PREMIUM.—No origination fee shall be collected on a loan made pursuant to this section. However, the lender shall charge the borrower an insurance premium in an amount of 3 percent of the principal amount of the loan, to be deducted proportionately from each installment payment of the proceeds of the loan prior to payment to the borrower.

''(2) RELATION TO APPLICABLE INTEREST.—Such insurance premium shall not be taken into account for purposes of determining compliance with section 427A.

''(3) DISCLOSURE REQUIRED.—The lender shall disclose to the borrower the amount and method of calculating the insurance premium.

''(4) USE OF INSURANCE PREMIUM TO OFFSET DEFAULT COSTS.—Each lender making loans under this section shall transmit all insurance premiums authorized to be collected from borrowers to the Secretary, who shall use such premiums to pay the Federal costs of default claims paid for loans under this section and to reduce the cost of special allowances paid thereon, if any, under section 438(b).

''(g) SINGLE APPLICATION FORM.—Where practicable, a guaranty agency shall use a single application form for subsidized Stafford loans made pursuant to section 428 and for unsubsidized Stafford loans made pursuant to this section.

''EXTENDED COLLECTION DEMONSTRATION PROGRAM

''SEC. 428I. (a) AGREEMENTS FOR DEMONSTRATION PROGRAM.—The Secretary shall, in accordance with the provisions of this section, enter into agreements with guaranty agencies for the establishment of not to exceed 9 demonstration programs designed to reduce defaults under this part through extended efforts on delinquent student loans originally guaranteed by such agencies.

''(b) SELECTION OF PARTICIPANTS.—

''(1) SUBMISSION OF APPLICATIONS.—Each guaranty agency desiring to participate in the program authorized by this section shall submit an application to the Secretary at such time and in such manner as the Secretary may prescribe.

''(2) SELECTION OF PARTICIPANTS.—The Secretary shall select participants to establish extended collection programs under this section on the basis of—

''(A) the applicant's experience and success in working with borrowers and eligible lenders to prevent default, including the use of forbearance;

''(B) the applicant's experience and success in the use of preclaims assistance and supplemental preclaims assistance to reduce defaults;

''(C) evidence that the applicant will use the program authorized by this section for borrowers who attend all types of institutions of higher education, in a manner which substantially reflects the overall loans guaranteed by the applicant which are delinquent;

''(D) the novel and innovative approaches that the applicant proposes to use in the extended collection demonstration program; and

''(E) the commitment of the applicant to the program, as documented in the application.

''(3) APPLICATION REQUIREMENTS.—Each such application shall include—

''(A) the modified lender agreement the guaranty agency has adopted by use by eligible lenders participating in the program;

''(B) a description of the novel and innovative approaches that the applicant will use in the extended collection demonstration program; and

''(C) such additional information as the Secretary may reasonably require to evaluate applications.

''(4) PRIORITIES.—In selecting participants under this section, the Secretary shall give priority to applications submitted by guaranty agencies having extensive experience in the administration and collection of student loans, either directly or through use of contract loan services.

''(c) PROGRAM AGREEMENT.—Each agreement entered into under this section shall include—

''(1) the provision of individualized or flexible repayment plans, including plans designed to meet the needs of borrowers participating in the program who face financial difficulty in repaying their loan;

''(2) the performance of aggressive and concentrated due diligence efforts by the holder; and

''(3) a requirement that eligible lenders furnish to the guaranty agency records of collection efforts and techniques, as specified by the guaranty agency or the Secretary, or both.

''(d) ELIGIBILITY.—

''(1) ELIGIBILITY.—Loans made under this part shall be eligible for extended collection pursuant to this section if—

''(A) the location of the borrower is known;

''(B) the borrower has made no payments or has missed at least two consecutive payments;

''(C) the loans are at least 120 days but less than 180 days delinquent, and all due diligence required has been performed;

''(D) the loan entered repayment if fiscal year 1990 or later;

''(E) the participating guaranty agency has provided preclaims assistance pursuant to a request by the eligible lender at 60 to 90 days of delinquency; and

''(F) the eligible lender providing extended collection efforts is not in possession of information that the loan may be uncollectible.

''(2) LENDER ELIGIBILITY TO PARTICIPATE.—An eligible lender may participate in the program authorized by this section if—

''(A) the eligible lender has an agreement with the guaranty agency with which the application is being filed for the guaranty of consolidation loans under section 428C;

''(B) the eligible lender is not subject to a limitation, suspension, or termination agreement or Default Management Plan under this part; and

''(C) the eligible lender meets such other criteria as the guaranty agency and the Secretary may reasonably require.

''(e) EXTENDED COLLECTION PERIOD.—Notwithstanding any other provision of law, loans held pursuant to this part and included in the program authorized by this section may be held by the eligible lender for—

''(1) 540 days after the loan becomes delinquent with respect to any installment;

''(2) not more than 30 days after the eligible lender participating under this section determines in accordance with guidelines promulgated by the guaranty agency, that no further collection effort on the loan is likely to result in repayment by the borrower; or

''(3) a period that is within 30 days after notification from the guaranty agency, but no earlier than the 270th day of delinquency, whichever comes first.

''(f) REPORTS TO THE SECRETARY AND TO THE CONGRESS.—

''(1) ANNUAL REPORTS.—Each participant with an agreement with the Secretary to offer an extended collection program shall submit a report once a year to the Secretary describing—

''(A) the effectiveness of the program, including statistics on the number of accounts brought into repayment between the 180th day and the submission of the claim;

''(B) a statistical summary of the basis for cures of delinquent loans brought current through the program, including specific summaries of the numbers of loans brought into repayment through forbearances, payments, and loan consolidation;

''(C) information on strategies used by eligible lenders in the program to effectuate the initiation of repayment; and

''(D) evidence of efforts to use the program authorized by this section for borrowers who attended traditional 4-year institutions, community colleges, and vocational and technical schools, which substantially reflect the overall portfolio of the eligible lenders.

''(2) REPORT BY THE SECRETARY.—The Secretary shall, not later than September 30, 1993, prepare and submit an interim report and not later than September 30, 1995, prepare and submit a final report on the demonstration project authorized by this section. The reports shall evaluate the results of the demonstration conducted under this section, assess the costs and benefits of this demonstration and include such rec-

ommendations as the Secretary may deem appropriate, including expansion of the demonstration program.

''(g) REGULATIONS.—The Secretary shall prescribe regulations for the administration of this section within 240 days of the enactment of this Act.

''(h) APPLICABILITY OF OTHER TERMS, CONDITIONS, AND BENEFITS.—A loan subject to the provisions of this section shall be subject to the same terms and conditions and qualify for the same benefits and privileges as other loans made under this part, except as otherwise specifically provided for in this section.

''(i) TERMINATION.—The demonstration program shall terminate on September 30, 1995.''.

SEC. 433. ADMINISTRATIVE PROVISIONS.

(a) AUTHORITY TO REGULATE SERVICERS.—Section 432(a)(1) is amended by inserting before the semicolon the following: '', including regulations with respect to third party servicers (including but not limited to regulations concerning financial responsibility standards for, and the assessment of liabilities for program violations against, such servicers) to ensure sound management and accountability of programs under this part''.

(b) LIMITATION, SUSPENSION, AND TERMINATION.—Section 432 of the Act is amended—

(1) in subsection (a)(3), by striking out ''on the record,'' and inserting a comma;

(2) in subsection (g)(1), by striking out ''on the record,'' and inserting a comma;

(3) in subsection (h)(2)(A)—

(A) by striking out ''shall, in accordance with sections 556 and 557 of title 5, United States Code,'' in the first sentence and inserting ''shall''; and

(B) by striking out ''The Secretary'' and all that follows through ''disqualification—'' in the second sentence and inserting the following: ''The Secretary shall uphold the imposition of such limitation, suspension, or termination in the student loan insurance program of each of the guaranty agencies under this part, and shall notify such guaranty agencies of such sanction—'';

(4) in subsection (h)(2)(B), by striking out ''disqualification'' each place it appears and inserting ''sanction''; and

(5) by redesignating subparagraph (B) of subsection (h)(2) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

''(B) The Secretary's review under this paragraph of the limitation, suspension, or termination imposed by a guaranty agency pursuant to section 428(b)(1)(U) shall be limited to—

''(i) a review of the written record of the proceedings in which the guaranty agency imposed such sanctions; and

''(ii) a determination as to whether the guaranty agency complied with section 428(b)(1)(U) and any notice and hearing requirements specified in regulations prescribed under this part.''; and

(6) in subsection (h)(3)(A)—

(A) by striking out ''shall, in accordance with sections 556 and 557 of title 5, United States Code,'' in the first sentence and inserting ''shall''; and

(B) by striking out ''The Secretary'' and all that follows through ''disqualification—'' in the second sentence and inserting the following: ''The Secretary shall uphold the imposition of such limitation, suspension, or termination in the student loan insurance program of each of the guaranty agencies under this part, and shall notify such guaranty agencies of such sanctions—'';

(7) in subsection (h)(3)(B), by striking out ''disqualification'' each place it appears and inserting ''sanction''; and

(8) by redesignating subparagraph (B) of subsection (h)(3) as subparagraph (C), and by inserting after subparagraph (A) the following new subparagraph:

''(B) The Secretary's review under this paragraph of the limitation, suspension, or termination imposed by a guaranty agency pursuant to section 428(b)(1)(T) shall be limited to—

''(i) a review of the written record of the proceedings in which the guaranty agency imposed such sanctions; and

''(ii) a determination as to whether the guaranty agency complied with section 428(b)(1)(T) and any notice and hearing requirements specified in regulations prescribed under this part.''.

(c) STANDARDIZATION OF FORMS, PROCEDURES, AND DATA REPORTING.—Section 432 of the Act is amended by adding at the end the following new subsections:

''(k) REGULATIONS ON STANDARDIZATION AND SIMPLIFICATION OF FORMS AND PROCEDURES.—

''(1) COMMUNITY RECOMMENDATIONS.—Within 240 days following the enactment of this Act, guaranty agencies, lenders, institutions of higher education, third party servicers and other organizations involved in providing loans under this part shall make recommendations to the Secretary, which the Secretary shall promulgate as regulations to simplify administration of the loan programs authorized under this part and to eliminate differences between forms, procedures and standards between guaranty agencies. Such regulations shall be designed to—

''(A) simplify all aspects of the student loan process to simplify the application, disbursement and origination processes, communications with lenders and guarantors, and to enhance understanding of the loan obligation on the part of borrowers;

''(B) simplify fulfillment of institutional responsibilities under this part by institutions of higher education;

''(C) improve the administration and oversight of the program by the United States Department of Education.

''(2) SIMPLIFICATION REQUIREMENTS.—Such regulations shall include—

''(A) standardization of computer formats, forms design and guaranty agency procedures relating to the origination, servicing and collection of loans made under this part;

''(B) authorization of alternate means of documents retention, including the use of microfilm, microfiche, laser disc, compact disc, and other methods allowing the production of a facsimile of the original documents;

''(C) authorization of the use of computer or similar electronic methods of maintaining records relating to the performance of servicing, collection and other regulatory requirements under this Act; and

''(D) authorization and implementation of electronic data linkages for the exchange of information to and from lenders, guarantors, institutions of higher education, third party servicers, and the Department for student status confirmation reports, claim filing, interest and special allowance billing, deferment processing, and all other administrative steps relating to loans made pursuant to this part where using electronic data linkage is feasible.

''(3) REGULATIONS BY THE SECRETARY.—If guaranty agencies, lenders, institutions of higher education, and other organizations involved in providing loans under this part are unable to agree upon recommendations to standardize and simplify forms and procedures within 240 days of enactment of the Higher Education Amendments of 1992, the Secretary is authorized to issue such regulations meeting the requirements of this subsection as he shall deem appropriate.

''(4) ADDITIONAL RECOMMENDATIONS.—The Secretary shall seek additional recommendations from guaranty agencies, lenders, institutions of higher education, third party servicers and other organizations involved in providing loans under this part, no less frequently than annually, for additional methods of simplifying and standardizing the administration of the programs authorized by this part.

''(l) STANDARDIZATION OF DATA REPORTING.—

''(1) COMMON REPORTING FORMATS.—The Secretary shall promulgate standards including necessary rules, regulations (including the definitions of all relevant terms) and procedures so as to require all lenders and guaranty agencies to report information on all aspects of loans made under this part in uniform formats, so as to permit the direct comparison of data submitted by individual lenders, servicers or guaranty agencies.

''(2) ESTABLISHMENT OF STANDARDS.—For the purpose of establishing standards under this section, the Secretary shall—

''(A) adopt the recommendation of guaranty agencies, lenders, institutions of higher education, and organizations representing these groups, if submitted to the Secretary within 240 days of the date of the enactment of the Higher Education Amendments of 1992;

''(B) develop standards designed to be implemented by all guaranty agencies and lenders with minimum modifications to existing data processing hardware and software;

''(C) publish the specifications selected to be used, so as to encourage the automation of exchanges of information between all parties involved in loans under this part.''.

(d) REPAYMENT BY EMPLOYERS.—Section 432 is further amended by adding at the end the following new subsection:

''(m) PROGRAM TO ENCOURAGE EMPLOYER REPAYMENT.—The Secretary shall undertake a program to encourage corporations and other private and public employers, including the Federal Government, to assist borrowers in repaying loans received under this title, including providing employers with options for payroll deduction of loan payments and for offering loan repayment matching provisions as part of employee benefit packages. The Secretary shall publicize models for providing such repayment assistance and each year select entities that deserve recognition, through means devised by the Secretary, for their development of innovative plans for providing such assistance to their employees. Within one year after the date of enactment of this Act, the Secretary shall recommend to the appropriate committees in the House and Senate changes to statutes that could be made in order to further encourage such efforts.''.

(e) DEFAULT REDUCTION.—Section 432 of the Act is amended by adding at the end the following new subsection:

''(n) DEFAULT REDUCTION MANAGEMENT.—

''(1) AUTHORIZATION.—There are authorized to be appropriated $25,000,000 for fiscal year 1993 and each of the four succeeding fiscal years for the Secretary to expend for default reduction management activities to result in a performance measure of reducing defaults by 5 percent relative to the prior fiscal year. Such funds shall be in addition to, and not in lieu of, other appropriations made for such purposes.

''(2) ALLOWABLE ACTIVITIES.—Allowable activities for which such funds shall be expended by the Secretary shall include (but not be limited to) the following: (A) program reviews; (B) audits; (C) debt management programs; (D) training activities; and (E) such other management improvement activities approved by the Secretary.

''(3) PLAN FOR USE REQUIRED.—The Secretary shall submit a plan, for inclusion in the materials accompanying the President's budget each fiscal year, detailing the expenditure of funds authorized by this section to accomplish the 5 percent reduction in defaults. At the conclusion of the fiscal year, the Secretary shall report his findings and activities concerning the expenditure of

funds and whether the performance measure was met. If the performance measure was not met, the Secretary shall report the following:

''(A) why the goal was not met, including an indication of any managerial deficiencies or of any legal obstacles;

''(B) plans and schedule for achieving the established performance goal;

''(C) recommended legislative or regulatory changes necessary to achieve the goal; and

''(D) if the performance standard or goal is impractical or infeasible, why that is the case and what action is recommended, including whether the goal should be changed or the program altered or eliminated.

This report shall be submitted to the Appropriations Committees of the House of Representatives and the Senate and to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

''(4) TRAINING ACTIVITIES.—Not less than ⅕ of the amount made available under paragraph (1) for fiscal year 1993 and each of the four succeeding fiscal years shall be used to carry out section 486 of this Act.''.

(f) CONSEQUENCES OF GUARANTY AGENCY INSOLVENCY.—Section 432 of the Act is further amended by adding at the end the following new subsections:

''(o) CONSEQUENCES OF GUARANTY AGENCY INSOLVENCY.—In the event that the Secretary has determined that a guaranty agency is unable to meet its insurance obligations under this part, the holder of loans insured by the guaranty agency may submit insurance claims directly to the Secretary and the Secretary shall pay to the holder the full insurance obligation of the guaranty agency, in accordance with insurance requirements no more stringent than those of the guaranty agency. Such arrangements shall continue until the Secretary is satisfied that the loans have been transferred to another guarantor who can meet the insurance obligations or a successor will assume the outstanding insurance obligations.

''(p) INSOLVENCY OF A GUARANTY AGENCY.—

''(1) INFORMATION COLLECTION; STANDARDS.—Each guaranty agency shall provide, on at least an annual basis as determined by the Secretary, financial information (including at a minimum the amount of current reserves, cash disbursements, and accounts payable and receivable) requested by the Secretary to use in an evaluation of the financial solvency of the agency. The Secretary, based on the information provided under this paragraph, shall establish a standard for use in determining which guaranty agencies shall be subject to guaranty agency management plans under paragraph (2).

''(2) MANAGEMENT PLANS.—Any guaranty agency determined by the Secretary, under the standards established pursuant to paragraph (1), as in need of corrective measures shall be subject to a guaranty agency management plan. The plan shall be drafted by the guaranty agency and shall identify management, investment, operational, and policy changes designed to improve the financial viability of the agency. The plan shall be submitted to the Secretary under a schedule and in a form established by the Secretary, and shall be subject to approval by the Secretary.

''(3) AGENCY FAILURE TO SUBMIT ACCEPTABLE PLAN OR TO IMPROVE UNDER PLAN.—If a guaranty agency fails to submit a guaranty agency management plan acceptable to the Secretary on a timely basis, the Secretary determines that the guaranty agency has failed to improve substantially its administrative and financial condition in accordance with its management plan under this subsection, or the guaranty agency is otherwise determined by the Secretary to not be financially viable, the Secretary shall take one or more of the following steps—

''(A) provide the guaranty agency with additional advance funds in accordance with section 422(c)(7) in order to meet immediate cash needs of the guaranty agency and ensure the uninterrupted payment of claims, with such restrictions on the use of such funds as determined appropriate by the Secretary;

''(B) require the transfer of guarantees to another guaranty agency, subject to such terms and conditions as the receiving agency and the Secretary may mutually agree to;

''(C) terminate the reinsurance agreement of the guaranty at a specified date, or require the merger or consolidation of the guaranty agency with another agency or other agencies, subject to such terms and conditions as the receiving agency or agencies and the Secretary may mutually agree to;

''(D) transfer guarantees to the Department for the purpose of servicing and collection of the loans guaranteed by such agency, and, after notice to the affected lenders, the payment of claims thereon, and process such claims using the claims standards of the guaranty agency, if such standards are determined by the Secretary to be in compliance with the Act; or

''(E) take any other action deemed necessary by the Secretary to ensure the proper servicing and collection of such loans and the payment of default claims to lenders, and avoid disruption to the student loan program.

''(4) CONGRESSIONAL REPORTS.—The Secretary within 3 months after the end of each fiscal year, shall submit to the House Committee on Education and Labor and the Senate Committee on Labor and Human Resources a report specifying the Secretary's assessment of the fiscal soundness of the guaranty agency system, together with recommendations for legislative changes, if necessary, for the maintenance of a strong guaranty agency system.

''(5) CONFIDENTIAL TREATMENT OF INFORMATION.—Notwithstanding any other provision of law, the information transmitted to the Secretary pursuant to this subsection shall be confidential and exempt from disclosure under section 552a of title 5, United State Code, relating to freedom of information, or any other Federal law.''.

(g) CONFORMING AMENDMENTS.—(1) Section 422(c) of the Act is amended—

(A) by striking ''Advances pursuant to this subsection'' in paragraph (5) and inserting ''Except as provided in paragraph (7), advances pursuant to this subsection''; and

(B) by inserting, after paragraph (6), the following new paragraph:

''(7) EMERGENCY ADVANCES.—The Secretary is authorized to make advances, on terms and conditions satisfactory to the Secretary, to a guaranty agency in accordance with section 432(o) in order to assist the agency in meeting its immediate cash needs and ensure the uninterrupted payment of default claims by lenders.''.

(2) Section 428(b)(1) of the Act is amended—

(A) by striking out the period at the end of subparagraph (X) and inserting ''; and''; and

(B) by adding at the end the following new subparagraph:

''(Y) provides information to the Secretary in accordance with section 432(o) and maintains reserve funds determined by the Secretary to be sufficient in relation to such agency's guarantee obligations.''.

SEC. 434. STUDENT LOAN INFORMATION.

Section 433(a) of the Act is amended—

(1) in paragraph (3), by inserting ''interest rates,'' before ''origination fee'';

(2) by striking paragraphs (4), (5), (7), (9), (10), (12), and (13);

(3) by redesignating paragraph (6) as paragraph (4);

(4) by redesignating paragraph (8) as paragraph (5);

(5) by redesignating paragraph (11) as paragraph (6) and inserting ''and'' after the semicolon at the end thereof; and

(6) by adding at the end the following:

''(7) a statement that—

''(A) the borrower's loan repayment obligation is separate and distinct from the institution's obligation to the borrower and that, except in the case of a loan originated by the institution, a failure by the institution to comply with any Federal, State, or local law cannot excuse any portion of the borrower's obligation to repay the loan; and

''(B) prominently and clearly states that the borrower is receiving a loan which must be repaid.

For purposes of paragraph (7), an institution shall be deemed to have 'originated' a loan if a special relationship exists between the institution and lender with respect to the loan—

''(i) under which the lender delegates to the institution substantial loan-making functions normally performed by lenders in making loans under this part; or

''(ii) which is evidenced by (i) a written agreement between the institution and the lender providing for such delegation; or (ii) in the case of an institution which, with the consent of the lender, completes the lender's section of the loan application on behalf of the lender and signs such application as agent for the lender.''.

SEC. 435. DEFINITIONS.

(a) ELIGIBLE INSTITUTION.—Section 435(a) of the Act is amended—

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

''(1) IN GENERAL.—Except as provided in paragraph (2), the term 'eligible institution' means an institution of higher education, as defined in section 481.'';

(2) in paragraph (3)(B)(ii), by striking ''30 percent'' and inserting ''25 percent''; and

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

(b) REPEAL OF SEPARATE DEFINITION OF INSTITUTION OF HIGHER EDUCATION.—

(1) AMENDMENT.—Subsection (b) of section 435 of the Act is repealed.

(2) REFERENCE.—With respect to reference in any other provision of law to the definition of institution of higher education contained in section 435(b) of the Act, such provision shall be deemed to refer to section 481(a) of the Act.

(c) REPEAL OF DEFINITION OF VOCATIONAL SCHOOL.—Subsection (c) of section 435 of the Act is repealed.

(d) ELIGIBLE LENDER.—Section 435(d) of the Act is amended—

(1) in paragraph (1)(A)—

(A) by striking ''a trust company,''; and

(B) in clause (ii)—

(i) by inserting ''or'' at the end of subclause (I); and

(ii) by striking '', or (III)'' and all that follows through ''January 1, 1981;'' and inserting the following:

''(III) in the case of Union Bank and Trust Company of Lincoln, Nebraska, that institution's portfolio of loans held under this part does not exceed 96.09 percent nor fall below 50 percent of its total consumer credit portfolio, the volume of loans it makes under this part in any calendar year does not exceed $143,800,000, and its holdings of loans under this part do not exceed $397,200,000;'';

(2) in paragraph (2)—

(A) by striking ''institutions; and'' at the end of subparagraph (C) and inserting ''institution;'';

(B) by inserting ''and'' after the semicolon at the end of subparagraph (D); and

(C) by inserting after subparagraph (D) the following new subparagraphs:

''(E) shall not have a cohort default rate above 15 percent as defined in section 435(m); and

''(F) shall use the proceeds from special allowance payments and interest payments from borrowers for need-based grant programs, except for reasonable reimbursement for direct administrative expenses;''; and

(3) by inserting after paragraph (5) the following new paragraph:

''(6) LOANS THAT HAVE NOT BEEN CONSUMMATED.—Loans that have not been consummated (loans for which the disbursement checks have not been cashed) may not be purchased from the original lender.''.

(e) REPEAL OF ADDITIONAL DEFINITIONS.—Section 435 of the Act is further amended by striking subsections (g), (h), and (n).

(f) DEFINITION OF COHORT DEFAULT RATE.—Section 435(m) of the Act is amended by striking out the third sentence and inserting ''For any fiscal year in which less than 30 of the institution's current and former students enter repayment, the term 'cohort default rate' means the percentage of such current and former students who entered repayment on such loans in any of the three most recent fiscal years, who default before the end of the fiscal year immediately following the year in which they entered repayment.''.

SEC. 436. REPAYMENTS BY SECRETARY.

Section 437 of the Act is amended to read as follows:

''REPAYMENT BY THE SECRETARY OF LOANS OF BANKRUPT, DECEASED, OR DISABLED BORROWERS; TREATMENT OF BORROWERS ATTENDING CLOSED SCHOOLS OR FALSELY CERTIFIED AS ELIGIBLE TO BORROW

''SEC. 437. (a) REPAYMENT IN FULL FOR DEATH AND DISABILITY.—If a student borrower who has received a loan described in subparagraph (A) or (B) of section 428(a)(1) dies or becomes permanently and totally disabled (as determined in accordance with regulations of the Secretary), then the Secretary shall discharge the borrower's liability on the loan by repaying the amount owed on the loan.

''(b) REPAYMENT OF AMOUNT SUBJECT TO BANKRUPTCY ACTION.—If the collection of a loan described in subparagraph (A) or (B) of section 428(a)(1) or sections 428A, 428B, 428C, or 428H is stayed in any action under the Bankruptcy Code, the Secretary shall repay the unpaid balance of principal and interest owed on the loan.

''(c) WRITE-OFF FOR BORROWERS AT CLOSED SCHOOLS AND FOR BORROWERS WHOSE ELIGIBILITY WAS FALSELY CERTIFIED.—

''(1) DISCHARGE OF BORROWER'S LIABILITY.—If a student borrower who received a loan described in subparagraph (A) or (B) of section 428(a)(1) is unable to complete a course of instruction during the loan period for which he borrowed, due to the closing of the eligible institution at which he was in attendance, or if his eligibility to borrow under this part was fraudulently certified by the eligible institution, the Secretary shall discharge the borrower's liability on the loan by repaying the amount owed on the loan and shall subsequently pursue any claim available to such borrower against the institution or settle the loan obligation pursuant to the bonding authority under section 487(c).

''(2) ASSIGNMENT OF RIGHT.—A borrower whose loan has been discharged pursuant to this subsection shall be deemed to have assigned to the United States the right to a loan refund up to the amount discharged against the institution, its affiliates, and principals.

''(3) ELIGIBILITY FOR ADDITIONAL ASSISTANCE.—(A) The period of a student's attendance at an institution at which the student was unable to complete a course of study due to the closing of the institution shall not be considered for purposes of calculating the student's period of eligibility for additional assistance under this title; and

''(B) a borrower whose loan has been discharged pursuant to this subsection shall not be precluded from receiving additional grants, loans, or work assistance under this title for which he would be otherwise eligible, except for defaulting on a loan which has been discharged.

''(4) REPORT TO CREDIT BUREAUS.—The Secretary shall report to credit bureaus with respect to loans which have been discharged pursuant to this subsection.

''(5) EFFECTIVE DATE.—This subsection shall apply to any unpaid balance of loans made to borrowers who were in attendance at an institution which ceased to provide instruction on or after January 1, 1986.''.

SEC. 436A. DEBT MANAGEMENT OPTIONS.

Part B of title IV of the Act is amended by inserting after section 437 the following new section:

''DEBT MANAGEMENT OPTIONS

''SEC. 437A. (a) PROGRAM AUTHORITY.—For the purpose of offering additional debt management options, the Secretary is authorized, to the extent of funds appropriated under subsection (d)—

''(1) to acquire from eligible holders the notes of borrowers under this part (other than section 428B) who are considered to be at high risk of default and who submit a request to the Secretary for an alternative repayment option;

''(2) to offer such borrowers one or more alternative repayment options, which may include graduated or extended repayment and which shall, subject to subsection (b)(2), include an income contingent repayment option established in accordance with subsection (b); and

''(3) to enter into contracts or other agreements with private firms or other agencies of the Government as necessary to carry out the purposes of this section.

''(b) INCOME CONTINGENT REPAYMENT OPTION.—

''(1) REGULATIONS.—For the purposes of subsection (a)(2), the Secretary shall, by regulation, establish the terms and conditions for an income contingent repayment option. Such regulations shall specify the schedules under which income will be assessed for repayment of loans, shall permit the discharge of remaining obligation on the loan not later than 25 years after the commencement of income contingent repayment, and may provide for the potential collection of amounts in excess of the principal and interest owed on the original loan or loans.

''(2) COLLECTION MECHANISM DETERMINATION REQUIRED.—Such regulations shall not be effective unless the Secretary publishes a finding that—

''(A) the Secretary has, pursuant to subsection (a)(3), established a collection mechanism that will provide a high degree of certainty that collections will be made in accordance with the repayment option established under paragraph (1); and

''(B) the use of such repayment option and collection mechanism will result in an increase in the net amount the Government will collect.

''(c) DETERMINATIONS OF HIGH RISK OF DEFAULT.—In making determinations under subsection (a)(1), the Secretary shall—

''(1) consider the ratio of part B debt repayment to income; or

''(2) establish, by regulation, such other indicators of high risk as the Secretary considers appropriate

''(d) LOAN LIMITATION.—Not more than $200,000,000 may be used to acquire loans under this section in any fiscal year.

''(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 1994 and for each of the 4 succeeding fiscal years.''.

SEC. 437. SPECIAL RULE; ELIMINATION OF DISCOUNTING.

(a) SPECIAL ALLOWANCE.—Section 438(b)(2) of the Act is amended—

(1) in subparagraph (A)(iii), by striking ''3.25'' and inserting ''3.0, for periods after the beginning of the repayment period pursuant to section 428(b)(8), and 2.85 at all other times''; and

(2) in subparagraph (D)(i), by striking ''3.25'' and inserting ''3.0, for periods after the beginning of the repayment period pursuant to section 428(b)(8), and 2.85 at all other times''.

(b) SPECIAL ALLOWANCE PERMITTED ON UNSUBSIDIZED LOANS.—Section 438(b)(5)(A)(ii) of the Act is amended by inserting ''428H,'' after ''428C,''.

(c) SPECIAL RULE.—Section 438(b)(5) is amended by adding at the end thereof the following flush sentence:

''As used in this section, the term 'eligible loan' includes all loans subject to section 428(c)(10).''.

(d) ORIGINATION FEES.—Section 438(c) is amended—

(1) in paragraph (2), by striking ''With'' and inserting ''Subject to paragraph (6) of this subsection, with''; and

(2) by adding at the end the following new paragraphs:

''(6) SLS AND PLUS LOANS.—With respect to any loans made under section 428A or 428B on or after October 1, 1992, each eligible lender under this part shall charge the borrower an origination fee of 5 percent of the principal amount of the loan, to be deducted proportionately from each installment payment of the proceeds of the loan prior to payments to the borrower.

''(7) DISTRIBUTION OF ORIGINATION FEES.—All origination fees collected pursuant to this section on loans authorized under section 428A or 428B shall be deposited in the fund authorized under section 431 of this part.''.

(e) DISCOUNTING.—Section 438(d)(2)(C) of the Act is amended by striking ''or discount''.

SEC. 438. STUDENT LOAN MARKETING ASSOCIATION FACILITY FINANCING.

Section 439(d)(5) of the Act is amended by striking ''third highest rating'' and inserting ''second highest rating''.

SEC. 439. STUDENT LOAN MARKETING ASSOCIATION FINANCIAL SAFETY AND SOUNDNESS.

(a) CAPITAL STANDARDS AND REPORTING.—Section 439 of the Higher Education Act of 1965 is amended by adding the following new subsection:

''(r) SAFETY AND SOUNDNESS OF THE ASSOCIATION.—

''(1) REPORTS BY THE ASSOCIATION.—The Association shall promptly furnish to the Secretary and the Secretary of Education copies of all periodic financial reports publicly distributed by the Association and reports on the Association prepared by nationally recognized statistical rating organizations which are received by the Association.

''(2) AUDIT BY THE SECRETARY AND ACCESS TO RELEVANT INFORMATION.—(A) The Secretary is authorized at his discretion to appoint auditors to audit the Association from time to time to determine the condition of the Association for the purpose of assessing its financial safety and soundness. The Secretary is authorized to contract for services of such technical experts as the Secretary deems necessary and appropriate to provide technical assistance to any auditor appointed under this subsection. Each auditor appointed under this subsection shall make an audit of the Association to the extent re-

quested by the Secretary and shall make a report to the Secretary of the results of such audit. A copy of such report shall be furnished to the Association at the same time it is delivered to the Secretary and the Secretary of Education.

''(B) The Association shall provide full and prompt access to the Secretary to its books and records and other information requested by the Secretary.

''(3) CAPITAL STANDARD.—If the capital ratio is less than 2 percent at the end of the Association's most recent calendar quarter the Association shall, within 60 days of such occurrence, submit to the Secretary a plan, in reasonable detail, which the Association believes is adequate to cause within 36 months the capital ratio to equal or exceed 2 percent.

''(4) CAPITAL PLAN.—

''(A) SUBMISSION, APPROVAL, AND IMPLEMENTATION.—(i) The Secretary and the Association shall consult with respect to any plan submitted pursuant to paragraph (3) and the Secretary shall approve such plan (or a modification thereof accepted by the Association) or disapprove such plan within 30 days after such plan is first submitted to the Secretary by the Association, unless the Association and Secretary mutually agree to a longer consideration period. If the Secretary approves a plan (including a modification of a plan accepted by the Association), the Association shall forthwith proceed with diligence to implement such plan to the best of its ability.

''(ii) If the Secretary does not approve a plan as provided herein, then not later than the earlier of the date the Secretary disapproves of such plan by written notice to the Association or the expiration of the 30-day consideration period referred to above (as such period may have been extended by mutual agreement), the Secretary shall submit the Association's plan, in the form most recently proposed to the Secretary by the Association, together with a report on his reasons for disapproval of such plan to the Chairman and ranking member of the Senate Committee on Labor and Human Resources and to the Chairman and ranking member of the House Committee on Education and Labor. A copy of such submission simultaneously shall be sent to the Association and the Secretary of Education by the Secretary. Upon receipt of the submission by the Association, it shall forthwith proceed with diligence to implement the most recently proposed plan of the Association. The Association, within 30 days after receipt from the Secretary of such submission, shall submit to such Chairman and ranking members a written response to such submission, setting out fully the nature and extent of its agreement or the disagreement with the Secretary with respect to the plan submitted to the Secretary and any findings of the Secretary.

''(B) MODIFIED PLAN.—(i) If the capital ratio does not exceed 1.5 percent, the Association shall submit to the Secretary a modified plan to increase promptly its capital ratio to equal or exceed 1.5 percent. The Secretary and the Association shall consult with respect to any modified plan submitted pursuant to this subparagraph. The Secretary shall approve such plan (or a modification thereof accepted by the Association) or disapprove such plan within 30 days after such plan is first submitted to the Secretary by the Association, unless the Association and Secretary mutually agree to a longer consideration period. If the Secretary approves a plan (including a modification of a plan accepted by the Association), the Association shall forthwith proceed with diligence to implement such plan to the best of its ability.

''(ii) If the Secretary disapproves a plan submitted pursuant to this subparagraph, then, not later than the earlier of the date the Secretary disapproves of such plan (by written notice to the Association) or the expiration of the 30-day consideration period described in clause (i) of this subparagraph (as such period may have been extended by mutual agreement), the Secretary shall prepare and submit a plan, together with a report on his reasons for disapproval of the Association's plan, to the Committee on Labor and Human Resources of the Senate and to the Committee on Education and Labor of the House of Representatives. A copy of such submission simultaneously shall be sent to the Association and the Secretary of Education by the Secretary. The Association, within 5 days after receipt from the Secretary of such submission, shall submit to such Committees a written response to such submission, setting out fully the nature and extent of its agreement or disagreement with the Secretary with respect to the disapproved plan and the plan of the Secretary and any findings of the Secretary. If, within 60 legislative days after the date of the Secretary's submission under this subparagraph, the Congress has not otherwise expressly provided by law, the Association shall forthwith proceed with diligence to implement the plan proposed by the Secretary under this subparagraph. For purposes of this subparagraph, the term 'legislative days' means only days on which either House of Congress is in session.

''(5) SUBSTANTIAL CAPITAL RATIO REDUCTION.—If the capital ratio of the Association does not equal or exceed 1.5 percent, the Secretary may, until the capital ratio equals or exceeds 1.5 percent, take any one or more of the following actions:

''(A) LIMIT INCREASE IN LIABILITIES.—Limit any increase in, or order the reduction of, any liabilities of the Association, except as necessary to fund student loan purchases and warehousing advances.

''(B) RESTRICT GROWTH.—Restrict or eliminate growth of the Association's assets, other than student loans purchases and warehousing advances.

''(C) RESTRICT DISTRIBUTIONS.—Restrict the Association from making any capital distribution.

''(D) REQUIRE ISSUANCE OF NEW CAPITAL.—Require the Association to issue new capital in any form and in any amount sufficient to restore at least a 1.5 percent capital ratio.

''(E) LIMIT EXECUTIVE COMPENSATION.—Prohibit the Association from increasing for any executive officer any compensation including bonuses at a rate exceeding that officer's average rate of compensation during the previous 12 calendar months and prohibiting the Board from adopting any new employment severance contracts.

''(6) CRITICAL CAPITAL STANDARD.—If the capital ratio is less than 1 percent at the end of the Association's most recent calendar quarter—

''(A) and the Association has already submitted a plan to the Secretary pursuant to paragraph (3), the Association shall forthwith proceed with diligence to implement the most recently proposed plan with such modifications as the Secretary determines are necessary to cause within 60 months the capital ratio to equal or exceed 2 percent; or

''(B) and the Association has not submitted a plan to the Secretary pursuant to paragraph (3), the Association shall—

''(i) within 14 days of such occurrence submit a plan to the Secretary which it believes is adequate to cause within 60 months the capital ratio to equal or exceed 2 percent; and

''(ii) forthwith proceed with diligence to implement such plan with such modifications as the Secretary determines are necessary to cause within 60 months the capital ratio to equal or exceed 2 percent;

the Secretary shall immediately submit the plan to be implemented to the Chairman and ranking member of the Senate Committee on Labor and Human Resources, to the Chairman and ranking member of the House Committee on Education and Labor, and to the Secretary of Education.

''(7) ADDITIONAL REPORTS TO COMMITTEES.—The Association shall submit a copy of its plan, modifications proposed to the Secretary, and proposed modifications received from the Secretary to the Congressional Budget Office and General Accounting Office upon their submission to the Secretary or receipt from the Secretary. Notwithstanding any other provision of law, the Congressional Budget Office and General Accounting Office shall maintain the confidentiality of information received pursuant to the previous sentence. In the event that the Secretary does not approve a plan as provided in paragraph (4), or in the event that a plan is modified by the Secretary pursuant to paragraph (6), the Congressional Budget Office and General Accounting Office shall each submit a report within 30 days of the Secretary's submission to the Chairmen and ranking members as required in paragraphs (4) and (6) to such Chairmen and ranking members—

''(A) analyzing the financial condition of the Association;

''(B) analyzing the plan and reasons for its disapproval contained in the Secretary's submission made pursuant to paragraph (4), or the plan proposed by the Association and the modifications made by the Secretary pursuant to paragraph (6);

''(C) analyzing the impact of the plan and reasons for its disapproval contained in the Secretary's submission made pursuant to paragraph (4), or the impact of the plan proposed by the Association and the modifications made by the Secretary pursuant to paragraph (6), and analyzing the impact of the recommendations made pursuant to subparagraph (D) of this paragraph, on—

''(i) the ability of the Association to fulfill its purpose and authorized activities as provided in this section, and

''(ii) the operation of the student loan programs; and

''(D) recommending steps which the Association should take to increase its capital ratio without impairing its ability to perform its purpose and authorized activities as provided in this section.

''(8) REVIEW BY SECRETARY OF EDUCATION.—The Secretary of Education shall review the Secretary's submission required pursuant to paragraph (4) or (6) and shall submit a report within 30 days to the Chairman and ranking member of the Senate Committee on Labor and Human Resources and to the Chairman and ranking member of the House Committee on Education and Labor—

''(A) describing any administrative or legislative provisions governing the student loan programs which contributed to the decline in the Association's capital ratio; and

''(B) recommending administrative and legislative changes in the student loan programs to maintain the orderly operation of such programs and to enable the Association to fulfill its purpose and authorized activities consistent with the capital ratio specified in paragraph (3).

''(9) SAFE HARBOR.—The Association shall be deemed in compliance with the capital ratios described in paragraphs (3) and (5) if—

''(A) the Association is rated in 1 of the 2 highest full rating categories (such categories to be determined without regard to designations within categories) by 2 nationally recognized statistical rating organizations determined without regard to the Association's status as a federally chartered corporation; or

''(B) the Association is rated in 1 of the 2 highest full rating categories (such cat-

egories to be determined without regard to designations within categories) by 1 nationally recognized statistical rating organization determined without regard to the Association's status as a federally chartered corporation and no other such rating organization is willing to provide a rating without regard to the Association status as a federally chartered corporation.

''(10) TREATMENT OF CONFIDENTIAL INFORMATION.—Notwithstanding any other provision of law, the Secretary, the Secretary of Education, the Congressional Budget Office, and the General Accounting Office shall not disclose any information treated as confidential by the Association and obtained pursuant to this subsection. Nothing in this paragraph shall authorize the Secretary, the Secretary of Education, the Congressional Budget Office, and the General Accounting Office to withhold information from Congress, or prevent the Secretary of Education, the Congressional Budget Office, and the General Accounting Office from complying with a request for information from any other Federal department or agency requesting the information for purposes within the scope of its jurisdiction, or complying with an order of a court of the United States in an action brought by the United States. For purposes of section 522 of title 5, United States Code, this paragraph shall be considered a statute described in subsection (b)(3) of such section 552.

''(11) DEFINITIONS.—As used in this subsection:

''(A) The term 'nationally recognized statistical rating organization' means any entity recognized as such by the Securities and Exchange Commission.

''(B) The term 'Secretary' means the Secretary of the Treasury.

''(C) The term 'capital ratio' means the ratio of total stockholders' equity, as shown on the Association's most recent quarterly consolidated balance sheet prepared in the ordinary course of its business, to the sum of—

''(i) the total assets of the Association, as shown on the balance sheet prepared in the ordinary course of its business; and

''(ii) 50 percent of the credit equivalent amount of the following off-balance sheet items of the Association as of the date of such balance sheet—

''(I) all financial standby letters of credit and other irrevocable guarantees of the repayment of financial obligations of others; and

''(II) all interest rate contracts and exchange rate contracts, including interest exchange agreements, floor, cap, and collar agreements and similar arrangements.

For purposes of this subparagraph, the calculation of the credit equivalent amount of the items set forth in clause (ii) of this subparagraph, the netting of such items and eliminations for the purpose of avoidance of double-counting of such items shall be made in accordance with the measures for computing credit conversion factors for off-balance sheet items for capital maintenance purposes established for commercial banks from time to time by the Federal Reserve Board, but without regard to any riskweighing provisions in such measures.''.

(b) ENHANCED CORPORATE GOVERNANCE.—

(1) Section 439(f) of the Higher Education Act of 1965 is amended to read as follows:

''(f) STOCK OF THE ASSOCIATION.—

''(1) VOTING COMMON STOCK.—The Association shall have voting common stock having such par value as may be fixed by the Board from time to time. Each share of voting common stock shall be entitled to 1 vote with rights of cumulative voting at all elections of directors.

''(2) NUMBER OF SHARES; TRANSFERABILITY.—The maximum number of shares of voting common stock that the Association may issue and have outstanding at any one time shall be fixed by the Board from time to time. Any voting common stock issue shall be fully transferable, except that, as to the Association, it shall be transferred only on the books of the Association.

''(3) DIVIDENDS.—To the extent that net income is earned and realized, subject to subsection (g)(2), dividends may be declared on voting common stock by the Board. Such dividends as may be declared by the Board shall be paid to the holders of outstanding shares of voting common stock, except that no such dividends shall be payable with respect to any share which has been called for redemption past the effective date of such call.

''(4) SINGLE CLASS OF VOTING COMMON STOCK.—As of the effective date of the Student Loan Marketing Association Financial Safety and Soundness Act of 1991, all of the previously authorized shares of voting common stock and nonvoting common stock of the Association shall be converted to shares of a single class of voting common stock on a share-for-share basis, without any further action on the part of the Association or any holder. Each outstanding certificate for voting or nonvoting common stock shall evidence ownership of the same number of shares of voting stock into which it is converted. All preexisting rights and obligations with respect to any class of common stock of the Association shall be deemed to be rights and obligations with respect to such converted shares.''.

(2) Section 439(c) of the Higher Education Act of 1965 is amended to read as follows:

''(c) BOARD OF DIRECTORS.—

''(1) COMPOSITION OF BOARD; CHAIRMAN.—The Association shall have a Board of Directors which shall consist of 21 members, 7 of whom shall be appointed by the President of the United States and shall be representative of the general public. The remaining 14 directors shall be elected by the common stockholders of the Association entitled to vote pursuant to subsection (f). Commencing with the annual shareholders meeting to be held in 1992—

''(A) 7 of the elected directors shall be affiliated with an eligible institution, and

''(B) 7 of the elected directors shall be affiliated with an eligible lender.

The President shall designate 1 of the directors to serve as Chairman.

''(2) TERMS OF APPOINTED AND ELECTED MEMBERS.—The directors appointed by the President shall serve at the pleasure of the President and until their successors have been appointed and have qualified. The remaining directors shall each be elected for a term ending on the date of the next annual meeting of the common stockholders of the Association, and shall serve until their successors have been elected and have qualified. Any appointive seat on the Board which becomes vacant shall be filled by appointment of the President. Any elective seat on the Board which becomes vacant after the annual election of the directors shall be filled by the Board, but only for the unexpired portion of the term.

''(3) AFFILIATED MEMBERS.—For the purpose of this subsection, the references to a director 'affiliated with the eligible institution' or a director 'affiliated with an eligible lender' means an individual who is, or within 5 years of election to the Board has been, an employee, officer, director, or similar official of—

''(A) an eligible institution or an eligible lender;

''(B) an association whose members consist primarily of eligible institutions or eligible lenders; or

''(C) a State agency, authority, instrumentality, commission, or similar institution, the primary purpose of which relates to educational matters or banking matters.

''(4) MEETINGS AND FUNCTIONS OF THE BOARD.—The Board of Directors shall meet at the call of its Chairman, but at least semiannually. The Board shall determine the general policies which shall govern the operations of the Association. The Chairman of the Board shall, with the approval of the Board, select, appoint, and compensate qualified persons to fill the offices as may be provided for in the bylaws, with such functions, powers, and duties as may be prescribed by the bylaws or by the Board of Directors, and such person shall be the officers of the Association and shall discharge all such functions, powers, and duties.''.

PART C—FEDERAL WORK-STUDY PROGRAMS

SEC. 441. AMENDMENTS TO PART C OF TITLE IV.

(a) PROGRAM TITLE.—

(1) AMENDMENT.—The heading of part C of title IV of the Act is amended to read as follows:

''PART C—FEDERAL WORK-STUDY PROGRAMS''.

(2) CONFORMING AMENDMENT.—The heading of section 443 is amended by inserting ''FEDERAL'' before ''WORK-STUDY''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 441(b) of the Act is amended to read as follows:

''(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this part, $900,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.''.

(c) DEFINITION OF COMMUNITY SERVICE.—Section 441 of the Act is amended by adding at the end the following new subsection:

''(c) COMMUNITY SERVICES.—For purposes of this part, the term 'community services' means services which are identified by an institution of higher education, through formal or informal consultation with local nonprofit, governmental, and community-based organizations, as designed to improve the quality of life for community residents, particularly low-income individuals, or to solve particular problems related to their needs, including (but not limited to) such fields as health care, child care, literacy training, education (including tutorial services), welfare, social services, transportation, housing and neighborhood improvement, public safety, crime prevention and control, recreation, rural development, and community improvement, and includes support services to students with disabilities and activities in which a student serves as a mentor for such purposes as—

''(1) tutoring;

''(2) supporting educational and recreational activities; and

''(3) counseling, including career counseling.''.

(d) CONSEQUENCES OF FAILURE TO AWARD.—Section 442(e) of the Act is amended to read as follows:

''(e) REALLOCATION OF EXCESS ALLOCATIONS.—If an institution returns to the Secretary any portion of the sums allocated to such institution under this section for any fiscal year, the Secretary shall reallot 25 percent of such excess to eligible institutions to carry out community service work-study programs, which may include programs under section 1131.''.

(e) USE FOR COMMUNITY SERVICE.—Section 447(b)(2)(A) of the Act is amended to read as follows:

''(A) in fiscal year 1994 and succeeding fiscal years, an institution shall be encouraged to use at least 10 percent of the total amount of funds granted to such institution under this section in any fiscal year to compensate students employed in community service work-study programs;''.

(f) OVERAWARD INCOME LIMIT.—Section 443(b)(4) of the Act is amended to read as follows:

''(4) provide that for a student employed in a work-study program under this part, at the time income derived from any need-based employment is in excess of the determination of the amount of such student's need by more than $300, continued employment shall not be subsidized with funds appropriated under this part;''.

(g) ALLOCATION.—Section 443(b)(3) of the Act is amended to read as follows:

''(3) provide that in the selection of students for employment under such work-study program, only students, who demonstrate financial need in accordance with part F of this title, and who meet the requirements of section 484 will be assisted, and provide that, if the institution's grant under this part is directly or indirectly based in part on the financial need demonstrated by students who are (A) attending the institution less than full time, (B) age 24 or older, (C) single parents, or (D) independent students, a reasonable proportion of the institution's grant shall be made available to such students;''.

(h) FEDERAL SHARE.—Section 443(b)(5) of the Act is amended—

(1) by striking ''; and'' at the end of subparagraph (A) and inserting a period;

(2) by striking subparagraph (B); and

(3) by striking ''except that—'' and all that follows through ''the Federal share may'' and inserting ''except that the Federal share may''.

(i) STUDY ABROAD.—Section 443 of the Act is amended by adding at the end thereof the following new subsection:

''(d) ELIGIBILITY FOR STUDY ABROAD.—The agreements under this section shall allow an institution of higher education to devise suitable work opportunities for students studying abroad in a program of study abroad approved for credit by the institution, including work for foreign colleges, universities, and nonprofit or service organizations and shall permit the establishment of internship programs involving work for foreign or multinational organizations that are relevant to the student's course of study, including compensation for eligible students from funds under this part.''.

(j) INDIVIDUALS WITH DISABILITIES.—Section 443(b) of the Act is amended—

(1) by redesignating paragraph (9) as paragraph (11);

(2) by striking ''and'' at the end of paragraph (8); and

(3) by inserting after paragraph (8) the following new paragraphs:

''(9) provide assurances that employment made available from funds under this part may be used to support programs for supportive services to students with disabilities;

''(10) provide assurances that the institution will inform all eligible students of the opportunity to perform community service work-study, and will consult with local nonprofit, governmental, and community-based organizations to identify such opportunities; and''.

(k) CARRY-BACK AUTHORITY.—Section 445(b) of the Act is amended—

(1) by inserting ''(1)'' after the subsection heading; and

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

''(2) An eligible institution may make payments to students of wages earned after the end of the academic year, but prior to the beginning of the succeeding fiscal year, from such succeeding fiscal year's appropriations.''.

(l) JOB LOCATION AND DEVELOPMENT.—Section 446 of the Act is amended to read as follows:

''JOB LOCATION AND DEVELOPMENT PROGRAMS

''SEC. 446. (a) AGREEMENTS REQUIRED.—(1) The Secretary is authorized to enter into agreements with eligible institutions under which such institution may use not more than 10 percent or $50,000 of its allotment under section 442, whichever is less, to establish or expand a program under which such institution, separately or in combination with other eligible institutions, locates and develops jobs, including community service jobs, for currently enrolled students.

''(2) Jobs located and developed under this section shall be jobs that are suitable to the scheduling and other needs of such students and that, to the maximum extent practicable, complement and reinforce the educational programs or vocational goals of such students.

''(b) CONTENTS OF AGREEMENTS.—Agreements under subsection (a) shall—

''(1) provide that the Federal share of the cost of any program under this section will not exceed 80 percent of such cost;

''(2) provide satisfactory assurance that funds available under this section will not be used to locate or develop jobs at an eligible institution;

''(3) provide satisfactory assurance that funds available under this section will not be used for the location or development of jobs for students to obtain upon graduation, but rather for the location and development of jobs available to students during and between periods of attendance at such institution;

''(4) provide satisfactory assurance that the location or development of jobs pursuant to programs assisted under this section will not result in the displacement of employed workers or impair existing contracts for services;

''(5) provide satisfactory assurance that Federal funds used for the purpose of this section can realistically be expected to help generate student wages exceeding, in the aggregate, the amount of such funds, and that if such funds are used to contract with another organization, appropriate performance standards are part of such contract; and

''(6) provide that the institution will submit to the Secretary an annual report on the uses made of funds provided under this section and an evaluation of the effectiveness of such program in benefiting the students of such institution.''.

(m) WORK COLLEGES.—Section 447 of the Act is amended to read as follows:

''WORK COLLEGES

''SEC. 447. (a) PURPOSE.—The purpose of this section is to recognize, encourage, and promote the use of comprehensive work-learning programs as a valuable educational approach when it is an integral part of the institution's educational program and a part of a financial plan which decreases reliance on grants and loans.

''(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $10,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

''(c) MATCH REQUIRED.—Funds shall be allocated to qualifying institutions in lieu of allocations pursuant to section 442 upon application, for eligible students as defined in section 484. An institution receiving an allocation under this section shall expend, from non-Federal sources, an amount for purposes of the program under this section equal to the amount of that allocation.

''(d) ACTIVITIES AUTHORIZED.—From the sums appropriated pursuant to subsection (b), eligible institutions may, following approval of an application under subsection (g) by the Secretary—

''(1) support the educational costs of qualified students through self-help payments or credits provided under the work-learning program of the institution within the limits of part F of this title;

''(2) promote the work-learning-service experience as a tool of postsecondary education, financial self-help and community service-learning opportunities; and

''(3) be used for the administration, development, and assessment of comprehensive college work-learning programs, including community based work-learning that expand opportunities for community service and career-related work; and the development of programs that develop sound citizenship and personal values, encourage student persistence, and make optimum use of college work-study dollars in title IV aid in education and student development.

''(e) FLEXIBLE USE OF FUNDS.—Funds allocated to the institution under subpart 2 of part A, part C, and part E of this title may be transferred for use under this section to provide flexibility in strengthening the self-help-through-work element in financial aid packaging.

''(f) ELIGIBLE INSTITUTIONS.—Postsecondary institutions eligible to participate in this section—

''(1) shall be public or private nonprofit institutions with stated commitments to service;

''(2) shall have a comprehensive work-learning-service program, for at least 2 years;

''(3) shall require service by all resident students through a comprehensive work-learning program as an integral part of the institution's educational program, and the provision of services and as part of the institution's educational philosophy; and

''(4) shall provide through the institutional work program an opportunity for the students to contribute to the overall educational program and to the welfare of the community as a whole.

''(g) APPLICATION.—Each eligible institution may submit an application for funds authorized by subsection (b) at such time and in such manner as the Secretary, by regulation, may reasonably require.

''(h) DEFINITIONS.—For purposes of this section, the term 'comprehensive student work-learning program' means a student work/service program that is an integral and stated part of the institution's educational philosophy and program; requires participation of all resident students for enrollment, participation, and graduation; includes learning objectives, evaluation and a record of work performance as part of the student's college record; provides programmatic leadership by college personnel at levels comparable to traditional academic programs; recognizes the educational role of work-learning supervisors; and includes consequences for non-performance or failure in the work-learning program similar to the consequences for failure in the regular academic program.''.

PART D—FEDERAL DIRECT LOANS

SEC. 451. ESTABLISHMENT OF FEDERAL DIRECT LOAN PROGRAM.

Part D of title IV of the Act is amended to read as follows:

''PART D—FEDERAL DIRECT LOAN DEMONSTRATION PROGRAM

''SEC. 451. PROGRAM AND PAYMENT AUTHORITY.

''(a) PROGRAM AUTHORITY.—The Secretary shall, in accordance with the provisions of this part, carry out a loan demonstration program for qualified students and parents at selected institutions of higher education to enable the students to pursue their courses of study at such institutions during the period beginning on July 1, 1994 and ending on June 30, 1998.

''(b) PAYMENT AUTHORITY.—

''(1) GENERAL AUTHORITY.—The Secretary shall, from funds made available under sec-

tion 459, make payments under this part for any fiscal year to institutions of higher education having an agreement under section 454, on the basis of the estimated needs of students at each institution and parents for student or parent loans taking into consideration the demand and eligibility of such students and parents for loans under this part.

''(2) ENTITLEMENT PROVISION.—An institution of higher education which has an agreement with the Secretary under section 454 shall be deemed to have a contractual right against the United States to receive payments according to that agreement.

"SEC. 452. PAYMENT RULES.

''(a) IN GENERAL.—The Secretary shall make payments required by section 451 in such installments as the Secretary determines—

''(1) reflect accurately the disbursement of funds for student and parent loans by the institution of higher education, and

''(2) will best carry out the objectives of this part.

''(b) INITIAL PAYMENTS.—The initial payments for any academic year required by section 451 shall be made available to each institution of higher education not later than 10 days prior to the beginning of the academic year at such institution.

"SEC. 453. SELECTION BY THE SECRETARY.

''(a) ENTRY REQUIREMENT.—The Secretary shall enter into agreements with institutions of higher education, at which the total loan volume under the Federal Stafford Loan program, the Federal Supplemental Loans for Students program, and the Federal Plus loan program was $500,000,000 in the most recent year for which data is available, to participate in the loan demonstration program to make loans for the period beginning with the academic year beginning on July 1, 1994, and ending with loans made before June 30, 1998. Such agreements shall be concluded not later than January 1, 1994.

''(b) SELECTION CRITERIA.—The Secretary shall enter into agreements with institutions of higher education which represent a cross-section of all institutions of higher education participating in part B of this title in terms of control of the institution, length of academic program, highest degree offered, size of student enrollment, percentage of students borrowing under part B, geographic location, annual loan volume, default experience and composition of the student body.

''(c) PREFERENCE FOR APPLYING INSTITUTIONS.—In constituting the cross-section of institutions of higher education required by the previous subsection, the Secretary shall first enter into agreements, to the maximum extent possible consistent with the requirements of constituting the cross-section, with institutions of higher education which apply to participate in the loan demonstration program. Institutions of higher education desiring to participate in the demonstration shall submit an application containing such information as the Secretary may by regulation prescribe.

''(d) DESIGNATION OF ADDITIONAL INSTITUTIONS.—If an insufficient number of institutions of higher education apply to satisfy the conditions provided in subsections (a) and (b) of this section, the Secretary shall designate additional institutions of higher education from among those eligible to participate in part B to participate in the loan demonstration program in order to satisfy the conditions provided in subsections (a) and (b) of this section. An institution of higher education designated by the Secretary pursuant to this subsection may decline to participate in the loan demonstration program for good cause pursuant to regulations established by the Secretary.

''(e) LIMITATION.—The Secretary shall assure that the annual loan volume under the Federal Stafford Loan program, the Federal Supplemental Loans for Students program, and the Federal Plus loan program at the institutions of higher education with which the Secretary enters into agreements under this part represents, in the most recent fiscal year for which data are available, not more than 15 percent of the loan guarantees under these programs of any guaranty agency and the Secretary shall determine that such guaranty agency will remain financially sound.

"SEC. 454. AGREEMENT REQUIRED.

''An agreement with any institution of higher education for participation in the loan demonstration program shall—

''(1) provide for the establishment and maintenance of a loan demonstration program at the institution of higher education under which—

''(A) the institution of higher education will identify eligible students at such institution, in accordance with section 484;

''(B) the institution of higher education will estimate the need of each such student as required by part F;

''(C) the institution of higher education will originate loans to such eligible students and eligible parents in accordance with this part, and will not charge any administrative fees to such students or parents for such origination activities;

''(D) the institution of higher education will provide timely information concerning the status of student and parent borrowers to the contractor or contractors responsible for loan collection pursuant to section 457; and

''(E) the institution of higher education will participate in the loan demonstration program for its duration, subject to procedures for withdrawal established by section 455;

''(2) provide assurances that the institution of higher education will comply with the provisions of section 463A, relating to student loan information, with respect to loans made under this part;

''(3) provide that the note or evidence of obligation on the loan shall be the property of the Secretary and that the institution of higher education will act as the agent of the Secretary for the purpose of making loans under the loan demonstration program;

''(4) provide that the institution of higher education will accept responsibility and liability stemming from its failure to perform its functions pursuant to the agreement;

''(5) provide that students at the institution of higher education and their parents will not be eligible to participate in the Federal Stafford Loan program, the Federal Supplemental Loans to Students program, or the Federal Plus loan program for the period during which such institution participates in the loan demonstration program;

''(6) in the case of 20 percent of the institutions selected by the Secretary for operations under this part, include such terms and conditions as the Secretary may require by regulation for testing income contingent repayment methods, which shall include—

''(A) requiring such institutions to offer the option of income contingent repayment, based on an annual review of the borrowers Federal income tax return, to any student who applies for a loan under this part;

''(B) the additional or different terms and conditions to be included in the notes or other agreements entered into by the borrower, as required by such regulations, including provisions with respect to the disclosure by the borrower of subsequent income;

''(C) providing for the discharge of loans after not more than 25 years of income contingent repayment; and

''(D) such data and reporting requirements and such other provisions as the Secretary considers necessary to carry out the purposes of section 458(d)(2) and to the protection of the Federal fiscal interest; and

''(7) include such other provisions as may be necessary to protect the financial interest of the United States and to promote the purposes of this part.

"SEC. 455. WITHDRAWAL AND TERMINATION PROCEDURES.

''The Secretary shall establish by regulation procedures which enable institutions of higher education who have made agreements with the Secretary pursuant to section 454 to withdraw or to be terminated from the loan demonstration program.

"SEC. 456. TERMS AND CONDITIONS.

''Unless otherwise specified in this part, the loans made under this part shall have the same terms, conditions, and benefits as loans made under sections 428, 428A, and 428B of this title. Any loan made under this part shall be eligible for consolidation under section 428C of part B of this title.

"SEC. 457. LOAN COLLECTION FUNCTIONS UNDER COMPETITIVE PROCUREMENT CONTRACTS.

''(a) IN GENERAL.—The Secretary shall provide, through contracts awarded on a competitive basis, for—

''(1) the collection of principal and interest on loans made under this part by no less than 5 contracts, at least one of which shall be for serving loans that are subject to income contingent repayment;

''(2) the collection of defaulted loans made under this part;

''(3) the establishment and operation of a central data system for the maintenance of records on all loans made under this part;

''(4) programs for default prevention; and

''(5) such other programs as the Secretary determines are necessary to assure the success of the loan demonstration program.

''(b) SERVICING FOR INCOME CONTINGENT LOANS.—The Secretary shall, through contract, ensure the availability of servicing of loans made pursuant to section 454(6) at a cost comparable to that available for loans under part B of this title (that are not subject to income contingent repayment).

''(c) INFORMATION ON INCOME CONTINGENT LOANS.—The Secretary shall acquire such information as is necessary regarding the adjusted gross income of borrowers (under this part and under part B) of loans that are subject to income contingent repayment for the purpose of determining the annual repayment obligations of such borrowers. The Secretary shall, not less often than once per year, provide to the servicer, lender, or holder of a loan the Secretary's determination of the borrower's repayment obligation on that loan for such year.

"SEC. 458. REPORTS.

''(a) ANNUAL REPORTS.—The Secretary shall submit to the Congress not later than July 1, 1993, and each July 1 for the 5 succeeding years an annual report describing the progress and status of the loan demonstration program.

''(b) INTERIM FINAL REPORT.—The Comptroller General shall submit to the Congress not later than July 1, 1997, an interim final report evaluating the experience of the Department of Education, the participating institutions of higher education, students, and parents with respect to the loan demonstration program. The report shall include (but not be limited to)—

''(1) the administrative costs per loan incurred by participating institutions of higher education in administering the loan demonstration program;

''(2) the administrative costs per loan incurred by the Department of Education and its contractors in carrying out its responsibilities, including the costs of origination, data systems, servicing, and collection;

''(3) an evaluation of the effectiveness of the loan demonstration program in providing services to students, including loan application, loan origination, student financial aid packaging, tracking of student status, responsiveness to student inquiries and processing of deferments, forbearances, and repayments;

''(4) the frequency and cost of borrower delinquency and default under the loan demonstration program and losses incurred by institutions of higher education and servicers, including losses caused by improper origination or servicing of loans;

''(5) the timeliness of capital availability to institutions of higher education and of loans to students and the cost of loan capital;

''(6) a comparison of the experience of institutions of higher education, students, and parents participating in loan demonstration program with the experience of institutions and students in a control group with respect to the subjects indicated in paragraphs (1) through (5) of this subsection;

''(7) a comparison of the cost of loan capital for loans for the loan demonstration program with the cost of loan capital for the comparable programs in part B of this title; and

''(8) recommendations for modifications, continuation, suspension or termination of the loan demonstration program.

''(c) FINAL REPORT.—The Comptroller General shall submit to the Congress not later than May 1, 1998, a final report evaluating the experience of the Department of Education, the participating institutions of higher education, and students with respect to the loan demonstration program. The report shall include (but not be limited to) the same matters provided for in subsection (b) of this section.

''(d) CONTROL GROUP.—

''(1) REGULAR REPAYMENT.—to assist the Comptroller General in preparing the reports required by subsections (b)(6) and (c) of this section, the Secretary shall select a control group of institutions of higher education, at which the total loan volume under the Federal Stafford Loan program, the Federal Supplemental Loans for Students program, and the Federal Plus loan program was $500,000,000 in the most recent year for which data is available, which represent a cross-section of all institutions of higher education participating in part B of this title and which is comparable to the cross-section of institutions of higher education selected for participation in the loan demonstration program pursuant to section 453(b).

''(2) INCOME CONTINGENT REPAYMENT.—Within the control group selected under paragraph (1), the Secretary shall identify a group of institutions to serve as a control group for comparison with the institutions offering income contingent loans under this part pursuant to section 454(6). The institutions selected for the control group under this paragraph shall select a reasonable cross section of the institutions selected under paragraph (1). The Secretary shall publish an identification of the institutions that are so selected. Any eligible lender of a loan to a student for attendance at any such institution shall, in accordance with regulations prescribed by the Secretary, offer such students the option of repaying such loans on an income contingent basis consistent with such regulations.

''(3) INCOME CONTINGENT TERMS AND CONDITIONS.—The Secretary shall, by regulation, establish the terms and conditions for loans that are subject to paragraph (2) of this subsection. Such terms and conditions shall, to the extent practicable, be the same as the terms and conditions of loans made pursuant to section 454(6). The Secretary is authorized to enter into such agreements (and amendments to agreements) under part B of this title as may be necessary to carry out paragraph (2) and this paragraph.

''(e) TREATMENT OF COSTS.—In reporting with respect to costs in the reports required by subsections (b) and (c) of this section, the Comptroller General shall report separately the nonrecurrent costs such as start-up costs associated with the loan demonstration program, the administrative costs incurred by institutions of higher education in providing information to enable the Comptroller General to prepare the reports required by subsections (b) and (c) of this section and the normal costs of operating the loan demonstration program.

''SEC. 459. SCHEDULE OF REGULATORY ACTIVITIES BY THE SECRETARY.

''(a) PROPOSED REGULATIONS.—The Secretary shall publish in the Federal Register not later than April 1, 1993, all proposed regulations for carrying out the program established by this part, including (but not limited to) regulations with respect to—

''(1) payments to institutions of higher education;

''(2) the selection of institutions of higher education to participate in the loan demonstration program;

''(3) application by institutions of higher education to participate in the loan demonstration program;

''(4) agreements between the Secretary and institutions of higher education participating in the loan demonstration program;

''(5) procedures with respect to the withdrawal and termination of institutions of higher education from the loan demonstration program; and

''(6) procedures by which institutions designated by the Secretary pursuant to section 453(d) may decline to participate in the loan demonstration program.

''(b) FINAL REGULATIONS.—The Secretary shall publish in the Federal Register not later than July 1, 1993, all final regulations for carrying out the program established by this part, including (but not limited to) regulations with respect to the same matters provided for in subsection (a) of this section.

''(c) CLOSING DATE FOR APPLICATIONS FROM INSTITUTIONS.—The Secretary shall establish October 1, 1993, as the closing date for receiving applications from institutions of higher education desiring to participate in the loan demonstration program pursuant to section 453(c).

''(d) PUBLICATION OF LIST OF PARTICIPATING INSTITUTIONS AND CONTROL GROUP.—Not later than January 1, 1994, the Secretary shall publish in the Federal Register a list of the institutions of higher education selected to participate in the loan demonstration program pursuant to section 453 and a list of the institutions of higher education in the control group required by section 457.

''(e) PROCUREMENT CONTRACTS.—The Secretary shall award contracts pursuant to section 457 not later than February 1, 1994.

''SEC. 459A. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated such sums as may be necessary for fiscal year 1993 and the 5 succeeding fiscal years for administrative expenses necessary for carrying out this part.''.

SEC. 452. ADMINISTRATIVE EXPENSES.

Part G of title IV of the Act is amended by adding at the end the following new section:

''AUTHORIZATION OF APPROPRIATIONS FOR ADMINISTRATIVE EXPENSES

''SEC. 492. There are authorized to be appropriated such sums as may be necessary for fiscal year 1993 and for each succeeding fiscal year thereafter for administrative expenses necessary for carrying out this title, including expenses for staff personnel, program reviews, and compliance activities.''.

PART E—FEDERAL PERKINS LOANS

SEC. 461. AMENDMENTS TO PART E OF TITLE IV.

(a) PROGRAM TITLE.—

(1) HEADING.—The heading of part E of title IV is amended to read as follows:

''PART E—FEDERAL PERKINS LOANS''.

(2) NAME OF LOANS.—Section 461(a) of the Act is amended by striking ''as 'Perkins Loans' '' and inserting ''as 'Federal Perkins Loans' ''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 461(b) of the Act is amended to read as follows:

''(b) AUTHORIZATION OF APPROPRIATIONS.—(1) For the purpose of enabling the Secretary to make contributions to student loan funds established under this part, there are authorized to be appropriated $300,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

''(2) In addition to the funds authorized under paragraph (1), there are hereby authorized to be appropriated such sums for fiscal year 1997 and each of the 5 succeeding fiscal years as may be necessary to enable students who have received loans for academic years ending prior to October 1, 1997, to continue or complete courses of study.''.

(c) ELIGIBILITY FOR STUDY ABROAD.—Section 461(a) of the Act is amended by inserting ''or while engaged in programs of study abroad approved for credit by such institutions'' after ''in such institutions''.

(d) INSTITUTIONAL ALLOCATION.—Section 462(a)(1)(A) of the Act is amended by striking ''such institution received'' and inserting ''allocated to such institution''.

(e) DEFAULT REDUCTION AND DEFAULT PENALTIES.—Section 462(f) of the Act is amended to read as follows:

''(f) DEFAULT REDUCTION AND DEFAULT PENALTIES.—(1) For any fiscal year prior to fiscal year 1994, any institution which has a default rate which equals or exceeds 7.5 percent but does not exceed the maximum default rate applicable to the award year under subsection (g), the institution's default penalty is a percentage equal to the complement of such default rate. For any institution which has a default rate that does not exceed 7.5 percent, the institution's default penalty is equal to one.

''(2) For fiscal year 1994 and any succeeding fiscal year, any institution with a cohort default rate (as defined under subsection (h)) which—

''(A) equals or exceeds 15 percent, shall establish a default reduction plan pursuant to regulations issued by the Secretary;

''(B) equals or exceeds 20 percent, but is less than 25 percent, shall have a default penalty of 0.9;

''(C) equals or exceeds 25 percent, but is less than 30 percent, shall have a default penalty of 0.7; and

''(D) equals or exceeds 30 percent shall have a default penalty of zero.''.

(f) APPLICABLE MAXIMUM DEFAULT RATE.—Section 462(g) of the Act is amended to read as follows:

''(g) APPLICABLE MAXIMUM DEFAULT RATE.—(1) For award years 1992 and 1993, the applicable maximum default rate is 15 percent.

''(2) For award year 1994 and subsequent years, the maximum cohort default rate is 30 percent.''.

(g) DEFINITIONS OF DEFAULT RATE AND COHORT DEFAULT RATE.—Section 462(h) of the Act is amended—

(1) by striking the title of the subsection and inserting ''DEFINITIONS OF DEFAULT RATE AND COHORT DEFAULT RATE.'';

(2) in paragraph (1), by striking ''For the purpose of this section,'' and inserting ''For any award year prior to award year 1994, for the purpose of this section,'';

(3) by redesignating paragraph (3) as paragraph (4); and

(4) by inserting after paragraph (2) the following new paragraph:

''(3) For award year 1994 and any succeeding year, the term 'cohort default rate' means, for any fiscal year in which 30 or more current and former students at the institution enter repayment on loans under this part (received for attendance at the institution), the percentage of those current and former students who enter repayment on such loans (received for attendance at that institution) in that fiscal year who default before the end of the following fiscal year. In determining the number of students who default before the end of such fiscal year, the Secretary shall, in calculating the cohort default rate, exclude any loans which, due to improper servicing or collection, would result in an inaccurate or incomplete calculation of the cohort default rate. For any fiscal year in which less than 30 of the institution's current and former students enter repayment, the term 'cohort default rate' means the percentage of such current and former students who entered repayment on such loans in any of the three most recent fiscal years and who default before the end of the fiscal year immediately following the year in which they entered repayment. A loan on which a payment is made by the institution of higher education, its owner, agency, contractor, employee, or any other entity or individual affiliated with such institution, in order to avoid default by the borrower, is considered as in default for the purposes of this subsection. The Secretary shall prescribe regulations designed to prevent an institution from evading the application to that institution of a default rate determination under this subsection through the use of such measures as branching, consolidation, change of ownership or control or other means as determined by the Secretary.''.

(h) CONSEQUENCES OF FAILURE TO AWARD.—Section 462(j) of the Act is amended—

(1) by inserting ''(1)'' after the subsection heading; and

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

''(2) If under paragraph (1) of this subsection an institution returns more than 10 percent of its allocation, the institution's allocation for the next fiscal year shall be reduced by the amount returned. The Secretary may waive this paragraph for a specific institution if the Secretary finds that enforcing it is contrary to the interest of the program.''.

(i) CAMPUS MATCH.—Section 463(a)(2)(B) of the Act is amended to read as follows:

''(B) a capital contribution—

''(i) by an institution that—

''(I) is granted permission by the Secretary to participate in an Expanded Lending Option under the program, and

''(II) has a default rate which does not exceed 7.5 percent,

in an amount not less than the amount of the Federal capital contributions described in subparagraph (A); or

''(ii) by any other institution, in an amount not less than one-third of the amount of the Federal capital contributions described in subparagraph (A);''.

(j) CREDIT REPORTING REQUIREMENTS.—Section 463(c) of the Act is amended by adding at the end thereof the following new paragraph:

''(4) Each institution of higher education, after consultation with the Secretary, shall disclose to any credit bureau organization with which the Secretary has an agreement under paragraph (1)—

''(A) the date of each disbursement and the amount of any loan made under this part to any borrower by such institution; and

''(B) the type of information described in paragraphs (1), (2), and (3) of section 430A(a), as it pertains to such loan.''.

(k) LOAN LIMITS.—Section 464(a)(2) of the Act is amended to read as follows:

''(2) The aggregate of the loans for all years made by institutions of higher education from loan funds established pursuant to agreements under this part may not exceed—

''(A) for institutions that have an agreement with the Secretary to participate in the Expanded Lending Option under section 463(a)(2)(B)(i)—

''(i) $32,000 in the case of any graduate or professional student (as defined by regulations of the Secretary, and including any loans from such funds made to such person before he became a graduate or professional student);

''(ii) $20,000 in the case of a student who has successfully completed 2 years of a program of education leading to a bachelor's degree but who has not completed the work necessary for such a degree (determined under regulations of the Secretary, and including any loans from such funds made to such person before he became such a student); and

''(iii) $8,000 in the case of any other student; or

''(B) for all other institutions—

''(i) $25,000 in the case of any graduate or professional student (as defined by regulations of the Secretary, and including any loans from such funds made to such person before he became a graduate or professional student);

''(ii) $15,000 in the case of a student who has successfully completed 2 years of a program of education leading to a bachelor's degree, but who has not completed the work necessary for such a degree (determined under regulations of the Secretary, and including any loans from such funds made to such person before he became such a student); and

''(iii) $6,000 in the case of any other student.''.

(l) LOANS TO NONTRADITIONAL STUDENTS.—Section 464(b)(2) of the Act is amended to read as follows:

''(2) If the institution's capital contribution under section 462 is directly or indirectly based in part on the financial need demonstrated by students who are (A) attending the institution less than full time, (B) age 24 or older, (C) single parents, or (D) independent students, a reasonable proportion of the institution's loans shall be made available to such students.''.

(m) MINIMUM MONTHLY PAYMENTS.—Section 464(c)(1)(C) of the Act is amended to read as follows:

''(C)(i) for loans made before July 1, 1993, may provide, at the option of the institution, in accordance with regulations of the Secretary, that during the repayment period of the loan, payments of principal and interest by the borrower with respect to all outstanding loans made to the student from a student loan fund assisted under this part shall be at a rate equal to not less than $30 per month, except that the institution may, subject to such regulations, permit a borrower to pay less than $30 per month for a period of not more than one year where necessary to avoid hardship to the borrower, but without extending the 10-year maximum repayment period provided for in subparagraph (A) of this paragraph;

''(ii) for loans made on or after July 1, 1993, may provide, at the option of the institution, in accordance with regulations of the Secretary, that during the repayment period of the loan, payments of principal and interest by the borrower with respect to all outstanding loans made to the student from a student loan fund assisted under this part shall be at a rate equal to not less than $50 per month, except that the institution may, subject to such regulations, permit a borrower to pay less than $50 per month for a period of not more than one year where necessary to avoid hardship to the borrower, but without extending the 10-year maximum repayment period provided for in subparagraph (A) of this paragraph; and

''(iii) may provide that the total payments by a borrower for a monthly or similar payment period with respect to the aggregate of all loans held by the institution may, when the amount of a monthly or other similar payment is not a multiple of $5, be rounded to the next highest whole dollar amount that is a multiple of $5;''.

(n) OVERAWARD TOLERANCE.—Section 464(b) of the Act is amended by adding at the end the following new paragraph:

''(3) Notwithstanding paragraph (1) of this subsection, if the sum of a loan award for any student and the other financial aid obtained subsequently by such student exceeds the amount of assistance for which the student is eligible under this title by $300 or more, the institution such student is attending shall adjust the disbursement of such loan accordingly.''.

(o) ELIMINATION OF DEFENSE INFANCY.—Section 464(c)(1)(E) of the Act is amended by striking ''unless the borrower is a minor and the note or other evidence of obligation executed by him would not, under applicable law, create a binding obligation,''.

(p) DEFERMENT FOR FAMILY SERVICE AGENCY EMPLOYEES.—Subparagraph (A) of section 464(c)(2) of the Higher Education Act of 1965 is amended—

(1) by striking ''or'' at the end of clause (viii);

(2) by striking the period at the end of clause (ix) and inserting a semicolon and ''or''; and

(3) by inserting after clause (ix) the following new clause:

''(x) is employed full-time by a public or private nonprofit child or family service agency to provide, or supervise the provision of, services to high-risk children who are from low-income communities and the families of such children.''.

(q) REPAYMENT PERIOD.—Section 464(c) of the Act is further amended—

(1) in paragraph (2), by striking subparagraph (B) and redesignating subparagraph (C) as subparagraph (B);

(2) by redesignating paragraph (4) as paragraph (5); and

(3) by inserting after paragraph (3) the following new paragraph:

''(4) The repayment period for a loan made under this part shall begin on the day immediately following the expiration of the period, specified in paragraph (1)(A), after the student ceases to carry the required academic workload, unless the borrower requests and is granted a repayment schedule that provides for repayment to commence at an earlier point in time, and shall exclude any period of authorized deferment, forbearance, or cancellation.''.

(r) DEFERMENTS FOR STUDY ABROAD.—Section 464(c) of the Act is amended by adding at the end thereof the following new paragraph:

''(6) Requests for deferment of repayment of loans under this part by students engaged in graduate or postgraduate fellowship-supported study (such as pursuant to a Fulbright grant) outside the United States may be approved until completion of the period of the fellowship.''.

(s) SPECIAL AUTHORITY TO COMPROMISE REPAYMENT.—Section 464 of the Act is amended by adding at the end the following new subsection:

''(e) SPECIAL REPAYMENT RULE AUTHORITY.—(1) Subject to such restrictions as the Secretary may prescribe to protect the interest of the United States, in order to encourage repayment of loans made under this part

which are in default, the Secretary may, in the agreement entered into under this part, authorize an institution of higher education to compromise on the repayment of such defaulted loans in accordance with paragraph (2). The Federal share of the compromise repayment shall bear the same relation to the institution's share of such compromise repayment as the Federal capital contribution to the institution's loan fund under this part bears to the institution's capital contribution to such fund.

''(2) No compromise repayment of a defaulted loan as authorized by paragraph (1) may be made unless the student borrower pays—

''(A) 90 percent of the loan under this part;

''(B) the interest due on such loan; and

''(C) any collection fees due on such loan; in a lump sum payment.''.

(t) CANCELLATION FOR SERVICE.—

(1) AMENDMENT.—Section 465(a)(2) of the Act is amended—

(A) in subparagraph (A), by striking ''and such determination shall not be made with respect to more than 50 percent of the total number of schools in the State receiving assistance under such chapter 1'';

(B) by inserting before the semicolon at the end of subparagraph (A) the following: '', except that in the case of a borrower qualifying for cancellation under this subparagraph, cancellation shall be granted for one year following any year in which the qualifying elementary or secondary school loses its chapter 1 designation'';

(C) by striking subparagraph (C) and inserting the following:

''(C) as a full-time teacher of infants, toddlers, children, or youth with disabilities in a public or other nonprofit elementary or secondary school system, or as a full-time qualified professional provider of early intervention services in a public or other nonprofit program under public supervision by the lead agency as authorized in section 676(b)(9) of the Individuals With Disabilities Education Act;'';

(D) by striking ''or'' at the end of subparagraph (E);

(E) by striking the period at the end of subparagraph (F) and inserting a semicolon; and

(F) by adding at the end thereof the following new subparagraphs:

''(G) as a full-time nurse or medical technician providing health care services; or

''(H) as a full-time employee of a public or private nonprofit child or family service agency who is providing, or supervising the provision of, services to high-risk children who are from low-income communities and the families of such children.''.

(2) RATE OF CANCELLATION.—Section 465(a)(3)(A)(i) of such Act is amended by striking ''(A), (C), or (F)'' and inserting ''(A), (C), (F), (G), or (H)''.

(u) EXCESS CAPITAL RULE.—Section 466(c) of the Act is amended—

(1) by striking out ''Upon'' and inserting ''(1) Upon'';

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B); and

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

''(2) No finding, that the liquid assets of a student loan fund established under this part exceed the amount required, under paragraph (1) of this subsection may be made prior to a date which is 2 years after the institution of higher education received the funds from its allocation under section 462 with respect to such funds.''.

(v) RECAPTURE OF CERTAIN LOAN FUNDS.—(1) Section 467 of the Act is amended by adding at the end thereof the following new subsection:

''(c) PERKINS LOAN REVOLVING FUND.—(1) There is established by the Perkins Loan Revolving Fund which shall be available without fiscal year limitation to the Secretary to make payments under this part, in accordance with paragraph (2) of this subsection. There shall be deposited in the Perkins Revolving Loan Fund—

''(A) all funds collected by the Secretary on any loan referred, transferred, or assigned under paragraph (5)(A), (5)(B)(i), or (6) of section 463(a);

''(B) all funds collected by the Secretary on any loan referred under paragraph (5)(B)(ii) of section 463(a);

''(C) all funds paid to the Secretary under section 466(c)(1)(A);

''(D) all funds from a student loan fund under this part received by the Secretary as the result of the closure of an institution of higher education;

''(E) all funds received by the Secretary as a result of an audit of a student loan fund established under this part; and

''(F) all funds which have been appropriated and which the Secretary determines are not necessary for carrying out section 465, relating to the cancellation of certain loans under this part for qualifying service.

''(2) Notwithstanding any other provision of law, the Secretary shall, from the Perkins Loan Revolving Fund established under paragraph (1), pay allocations of additional capital contributions to eligible institutions of higher education in accordance with section 462, except that funds described in subparagraph (B) of paragraph (1) shall be repaid to the institution of higher education which referred the loan, as specified in section 463(a)(5)(B)(ii). The Secretary shall make the payments required by this paragraph in a manner designed to maximize the availability of capital loan funds under this part.''.

(2) The heading of section 467 of the Act is amended to read as follows:

''COLLECTION OF DEFAULTED LOANS: PERKINS LOAN REVOLVING FUND''.

(w) DEFINITIONS; LIMITATIONS.—Part E of title IV is further amended by adding at the end the following new section:

''DEFINITIONS

''SEC. 469. (a) LOW-INCOME COMMUNITIES.—For the purpose of this part, the term 'low-income communities' means communities in which there is a high concentration of children eligible to be counted under chapter 1 of title I of the Elementary and Secondary Education Act of 1965.

''(b) HIGH-RISK CHILDREN.—For the purposes of this part, the term 'high-risk children' means individuals under the age of 21 who are low-income or at risk of abuse or neglect, have been abused or neglected, have serious emotional, mental, or behavioral disturbances, reside in placements outside their homes, or are involved in the juvenile justice system.

''(c) INFANTS, TODDLERS, CHILDREN, AND YOUTH WITH DISABILITIES.—For purposes of this part, the term 'infants, toddlers, children, and youth with disabilities' means children with disabilities and infants and toddlers with disabilities as defined in sections 602(a)(1) and 672(1), respectively, of the Individuals with Disabilities Education Act, and the term 'qualified professional provider of early intervention services' has the meaning specified in section 672(2) of such Act.''.

PART F—NEED ANALYSIS

SEC. 471. REVISION OF PART F.

Part F of title IV of the Act is amended to read as follows:

"PART F—NEED ANALYSIS

"SEC. 471. AMOUNT OF NEED.

''Except as otherwise provided therein, the amount of need of any student for financial assistance under this title (except subpart 4 of part A) is equal to—

''(1) the cost of attendance of such student, minus

''(2) the expected family contribution for such student, minus

''(3) estimated financial assistance not received under this title (as defined in section 480(j)).

"SEC. 472. COST OF ATTENDANCE.

''For the purpose of this title, the term 'cost of attendance' means—

''(1) tuition and fees normally assessed a student carrying the same academic workload as determined by the institution, and including costs for rental or purchase of any equipment, materials, or supplies required of all students in the same course of study;

''(2) an allowance for books, supplies, transportation, and miscellaneous personal expenses for a student attending the institution on at least a half-time basis, as determined by the institution;

''(3) an allowance (as determined by the institution) for room and board costs incurred by the student which—

''(A) shall be an allowance of not less than $1,500 for a student without dependents residing at home with parents;

''(B) for students without dependents residing in institutionally owned or operated housing, shall be a standard allowance determined by the institution based on the amount normally assessed most of its residents for room and board; and

''(C) for all other students shall be an allowance based on the expenses reasonably incurred by such students for room and board, except that the amount may not be less than $2,500;

''(4) for less than half-time students (as determined by the institution) tuition and fees and an allowance for only books, supplies, and transportation (as determined by the institution) and dependent care expenses (in accordance with paragraph (7));

''(5) for incarcerated students only tuition and fees and, if required, books and supplies;

''(6) for a student enrolled in an academic program in a program of study abroad approved for credit by the student's home institution, reasonable costs associated with such study (as determined by the institution);

''(7) for a student with one or more dependents, an allowance based on the estimated expenses incurred for such dependent care, based on the number and age of such dependents. The period for which dependent care is required includes, but is not limited to, class-time, study-time, field work, internships, and commuting time;

''(8) for a student with a disability, an allowance (as determined by the institution) for those expenses related to his or her disability, including special services, transportation, equipment, and supplies that are reasonably incurred and not provided for by other assisting agencies;

''(9) for a student receiving all or part of his or her instruction by means of telecommunications technology, no distinction shall be made with respect to the mode of instruction in determining costs, but this paragraph shall not be construed to permit including the cost of rental or purchase of equipment;

''(10) for a student engaged in a program of study by correspondence, only tuition and fees and, if required, books and supplies, travel, and room and board costs incurred specifically in fulfilling a required period of residential training; and

''(11) for a student placed in a work experience under a cooperative education program, an allowance for reasonable costs associated with such employment (as determined by the institution).

"SEC. 473. FAMILY CONTRIBUTION.

''For the purpose of this title, except subpart 4 of part A, the term 'family contribu-

tion' with respect to any student means the amount which the student and his or her family may be reasonably expected to contribute toward his or her postsecondary education for the academic year for which the determination is made, as determined in accordance with this part.

"SEC. 474. DATA ELEMENTS USED IN DETERMINING EXPECTED FAMILY CONTRIBUTION.

''The following data elements are considered in determining the expected family contribution:

''(1) the available income of (A) the student and his or her spouse, or (B) the student and the student's parents, in the case of a dependent student;

''(2) the number of dependents in the family of the student;

''(3) the number of dependents in the family of the student (except parents) who are enrolled or accepted for enrollment, on at least a half-time basis, in a degree, certificate, or other program leading to a recognized educational credential at an institution of higher education that is an eligible institution in accordance with the provisions of section 487 and for whom the family may reasonably be expected to contribute to their postsecondary education;

''(4) the net assets of (A) the student and his or her spouse, and (B) the student and the student's parents, in the case of a dependent student;

''(5) the marital status of the student;

''(6) the age of the older parent, in the case of a dependent student, and the student;

''(7) the number of dependent children other than the student enrolled in a private elementary or secondary institution and the unreimbursed tuition paid (A) in the case of a dependent student, by the student's parents for such dependent children, or (B) in the case of an independent student with dependents, by the student or his or her spouse for such dependent children who are so enrolled; and

''(8) the additional expenses incurred (A) in the case of a dependent student, when both parents of the student are employed or when the family is headed by a single parent who is employed, or (B) in the case of an independent student, when the student is married and his or her spouse is employed, or when the employed student qualifies as a surviving spouse or as a head of a household under section 2 of the Internal Revenue Code of 1986.

"SEC. 475. FAMILY CONTRIBUTION FOR DEPENDENT STUDENTS.

''(a) COMPUTATION OF EXPECTED FAMILY CONTRIBUTION.—For each dependent student the expected family contribution is equal to the sum of—

''(1) the parents' contribution from adjusted available income (determined in accordance with subsection (b));

''(2) the student contribution from available income (determined in accordance with subsection (g)); and

''(3) the student contribution from assets (determined in accordance with subsection (h)).

''(b) PARENTS' CONTRIBUTION FROM ADJUSTED AVAILABLE INCOME.—The parents' contribution from adjusted available income is equal to the amount determined by—

''(1) computing adjusted available income by adding—

''(A) the parents' available income (determined in accordance with subsection (c)); and

''(B) the parents' contribution from assets (determined in accordance with subsection (d));

''(2) assessing such adjusted available income in accordance with the assessment schedule set forth in subsection (e); and

''(3) dividing the assessment resulting under paragraph (2) by the number of the dependent children of the parent (or parents) who are enrolled or accepted for enrollment, on at least a half-time basis, in a degree, certificate, or other program leading to a recognized educational credential at an institution of higher education that is an eligible institution in accordance with the provisions of section 487 during the award period for which assistance under this title is requested.

''(c) PARENTS' AVAILABLE INCOME.—

''(1) IN GENERAL.—The parents' available income is determined by deducting from total income (as defined in section 480)—

''(A) Federal income taxes;

''(B) an allowance for State and other taxes, determined in accordance with paragraph (2);

''(C) an allowance for social security taxes, determined in accordance with paragraph (3);

''(D) an income protection allowance, determined in accordance with paragraph (4);

''(E) an employment expense allowance, determined in accordance with paragraph (5); and

''(F) an educational expense allowance, determined in accordance with paragraph (6).

''(2) ALLOWANCE FOR STATE AND OTHER TAXES.—The allowance for State and other taxes is equal to an amount determined by multiplying total income (as defined in section 480) by a percentage determined according to the following table (or a successor table prescribed by the Secretary under section 478):

''Percentages for Computation of State and Other Tax Allowance

If parents' State or territory of residence is—	And parents' total income is—	
	less than $15,000 or	$15,000 or more
	then the percentage is—	
Alaska, Puerto Rico, Wyoming	3	2
American Samoa, Guam, Louisiana, Nevada, Texas, Trust Territory, Virgin Islands	4	3
Florida, South Dakota, Tennessee, New Mexico	5	4
North Dakota, Washington	6	5
Alabama, Arizona, Arkansas, Indiana, Mississippi, Missouri, Montana, New Hampshire, Oklahoma, West Virginia	7	6
Colorado, Connecticut, Georgia, Illinois, Kansas, Kentucky	8	7
California, Delaware, Idaho, Iowa, Nebraska, North Carolina, Ohio, Pennsylvania, South Carolina, Utah, Vermont, Virginia, Canada, Mexico	9	8
Maine, New Jersey	10	9
District of Columbia, Hawaii, Maryland, Massachusetts, Oregon, Rhode Island	11	10
Michigan, Minnesota	12	11
Wisconsin	13	12
New York	14	13
Other	9	8

''(3) ALLOWANCE FOR SOCIAL SECURITY TAXES.—The allowance for social security taxes is equal to the amount earned by each parent multiplied by the social security withholding rate appropriate to the tax year of the earnings, up to the maximum statutory social security tax withholding amount for that same tax year.

''(4) INCOME PROTECTION ALLOWANCE.—The income protection allowance is determined by the following table (or a successor table prescribed by the Secretary under section 478):

''Income Protection Allowance

Family Size (including student)	Number in College: 1	2	3	4	5	For each additional subtract:
2	$10,270	$8,560				
3	12,840	11,130	$9,420			
4	15,790	14,080	12,370	$10,660		
5	18,750	17,040	15,330	13,620	$11,910	
6	21,830	20,120	18,410	16,700	14,990	$1,710
For each additional add:	2,570	2,570	2,570	2,570	2,570	

''(5) EMPLOYMENT EXPENSE ALLOWANCE.—The employment expense allowance is determined as follows (or using a successor provision prescribed by the Secretary under section 478):

''(A) If both parents were employed in the year for which their income is reported and both have their incomes reported in determining the expected family contribution, such allowance is equal to the lesser of $2,600 or 35 percent of the earned income of the student or spouse with the lesser earned income.

''(B) If a parent qualifies as a surviving spouse or as a head of household as defined in section 2 of the Internal Revenue Code, such allowance is equal to the lesser of $2,600 or 35 percent of his or her earned income.

''(6) EDUCATIONAL EXPENSE ALLOWANCE.—The educational expense allowance is equal to the unreimbursed tuition and fees paid by the student's parents for each dependent child, other than the student, enrolled in an elementary or secondary school, not to exceed for each such child the national average per pupil cost as published by the Center for Educational Statistics using the most recent available data.

''(d) PARENTS' CONTRIBUTION FROM ASSETS.—

''(1) IN GENERAL.—The parents' contribution from assets is equal to—

''(A) the parental net worth (determined in accordance with paragraph (2)); minus

''(B) the asset protection allowance (determined in accordance with paragraph (3)); minus

''(C) the educational savings protection allowance (determined in accordance with paragraph (4)); multiplied by

''(D) the asset conversion rate (determined in accordance with paragraph (5)), except that the result shall not be less than zero.

''(2) PARENTAL NET WORTH.—The parental net worth is calculated by adding—

''(A) the current balance of checking and savings accounts and cash on hand;

''(B) the net value of investments and real estate, excluding the net value of the principal place of residence; and

''(C) the adjusted net worth of a business or farm, computed on the basis of the net worth of such business or farm (hereafter in this subsection referred to as 'NW'), determined in accordance with the following table (or a successor table prescribed by the Secretary under section 478), except as provided under section 480(f):

''Adjusted Net Worth of a Business or Farm

If the net worth of a business or farm is—	Then the adjusted net worth is:
Less than $1	$0
$1–$75,000	40 percent of NW
$75,001–$225,000	$30,000 plus 50 percent of NW over $75,000
$225,001–$370,000	$105,000 plus 60 percent of NW over $225,000
$370,001 or more	$192,000 plus 100 percent of NW over $370,000

''(3) ASSET PROTECTION ALLOWANCE.—The asset protection allowance is calculated ac-

cording to the following table (or a successor table prescribed by the Secretary under section 478):

"Asset Protection Allowances for Families and Students

If the age of the oldest parent is—	And there are	
	two parents	one parent
	then the asset protection allowance is—	
25 or less	$ 0	$0
26	2,700	1,900
27	5,300	3,800
28	8,000	5,600
29	10,600	7,500
30	13,300	9,400
31	15,900	11,300
32	18,600	13,200
33	21,200	15,000
34	23,900	16,900
35	26,500	18,800
36	29,200	20,700
37	31,800	22,600
38	34,500	24,400
39	37,100	26,300
40	39,800	28,200
41	40,800	28,900
42	41,900	29,400
43	42,600	30,200
44	43,800	30,700
45	44,900	31,500
46	46,000	32,300
47	47,200	32,900
48	48,800	33,700
49	50,000	34,500
50	51,300	35,300
51	52,900	36,200
52	54,300	37,000
53	56,000	37,900
54	57,700	39,100
55	59,200	40,000
56	61,000	40,900
57	62,900	42,100
58	65,200	43,100
59	67,200	44,400
60	69,300	45,700
61	71,700	47,000
62	74,300	48,300
63	76,500	49,700
64	79,200	51,100
65 or more	81,900	52,700

"(4) EDUCATIONAL SAVINGS PROTECTION ALLOWANCE.—The educational savings protection allowance is calculated if the parental net worth (determined in accordance with paragraph (2)) minus the asset protection allowance (determined in accordance with paragraph (3)) is greater than zero and the parents' available income is greater than zero. This allowance is determined according to the following table on the basis of the parents' available income (hereinafter in this paragraph referred to as 'AI') as determined under subsection (c), except that this allowance shall not be less than zero:

"Parents' Education Savings Protection Allowance

If AI is—	Then the savings protection allowance is—
Less than $9,300	22% of AI
$9,301 to $11,600	$2,046 + 25% of AI over $9,300
$11,601 to $14,000	$2,621 + 29% of AI over $11,600
$14,001 to $16,300	$3,317 + 34% of AI over $14,000
$16,301 to $18,700	$4,099 + 40% of AI over $16,300
$18,701 or more	$5,059 + 47% of AI over $18,700

"(5) ASSET CONVERSION RATE.—The asset conversion rate is 12 percent.

"(e) ASSESSMENT SCHEDULE.—The adjusted available income (as determined under subsection (b)(1) and hereafter in this subsection referred to as 'AAI') is assessed according to the following table (or a successor table prescribed by the Secretary under section 478):

"Parents' Assessment From Adjusted Available Income (AAI)

If AAI is—	Then the assessment is—
Less than −$3,409	−$750
−$3,409 to $9,300	22% of AAI
$9,301 to $11,600	$2,046 + 25% of AAI over $9,300
$11,601 to $14,000	$2,621 + 29% of AAI over $11,600
$14,001 to $16,300	$3,317 + 34% of AAI over $14,000

"Parents' Assessment From Adjusted Available Income (AAI)—Continued

If AAI is—	Then the assessment is—
$16,301 to $18,700	$4,099 + 40% of AAI over $16,300
$18,701 or more	$5,059 + 47% of AAI over $18,700

"(f) COMPUTATIONS IN CASE OF SEPARATION, DIVORCE, REMARRIAGE, OR DEATH.—

"(1) DIVORCED OR SEPARATED PARENTS.—Parental income and assets for a student whose parents are divorced or separated is determined under the following procedures:

"(A) Include only the income and assets of the parent with whom the student resided for the greater portion of the 12-month period preceding the date of the application.

"(B) If the preceding criterion does not apply, include only the income and assets of the parent who provided the greater portion of the student's support for the 12-month period preceding the date of application.

"(C) If neither of the preceding criteria apply, include only the income and assets of the parent who provided the greater support during the most recent calendar year for which parental support was provided.

"(2) DEATH OF A PARENT.—Parental income and assets in the case of the death of any parent is determined as follows:

"(A) If either of the parents has died, the student shall include only the income and assets of the surviving parent.

"(B) If both parents have died, the student shall not report any parental income or assets.

"(3) REMARRIED PARENTS.—Income in the case of a parent whose income and assets are taken into account under paragraph (1) of this subsection, or a parent who is a widow or widower and whose income is taken into account under paragraph (2) of this subsection, has remarried, is determined as follows: The income (but not assets) of that parent's spouse shall be included in determining the parent's adjusted available income only if—

"(A) the student's parent and the stepparent are married as of the date of application for the award year concerned; and

"(B) the student is not an independent student.

"(g) STUDENT CONTRIBUTION FROM AVAILABLE INCOME.—

"(1) IN GENERAL.—The student contribution from available income is equal to—

"(A) the student's total income (determined in accordance with section 480); minus

"(B) the adjustment to student income (determined in accordance with paragraph (2); multiplied by

"(C) the assessment rate as determined in paragraph (5).

"(2) ADJUSTMENT TO STUDENT INCOME.—The adjustment to student income is equal to the sum of—

"(A) actual Federal income taxes of the student;

"(B) an allowance for State and other income taxes (determined in accordance with paragraph (3)); and

"(C) an allowance for social security taxes determined in accordance with paragraph (4).

"(3) ALLOWANCE FOR STATE AND OTHER INCOME TAXES.—The allowance for State and other income taxes is equal to an amount determined by multiplying total income (as defined in section 480) by a percentage determined according to the following table (or a successor table prescribed by the Secretary under section 478):

"Percentages for Computation of State and Other Income Tax Allowance

If the students' State or territory of residence is—	The percentage is—
Alaska, American Samoa, Florida, Guam, Nevada, South Dakota, Tennessee, Texas, Trust Territory, Virgin Islands, Washington, Wyoming	0
Connecticut, Louisiana, Puerto Rico	1
Arizona, New Hampshire, New Mexico, North Dakota	2
Alabama, Colorado, Illinois, Indiana, Kansas, Mississippi, Missouri, Montana, Nebraska, New Jersey, Oklahoma	3
Arkansas, Georgia, Iowa, Kentucky, Maine, Pennsylvania, Utah, Vermont, Virginia, West Virginia, Canada, Mexico	4
California, Idaho, Massachusetts, North Carolina, Ohio, Rhode Island, South Carolina	5
Hawaii, Maryland, Michigan, Wisconsin	6
Delaware, District of Columbia, Minnesota, Oregon	7
New York	8

"(4) ALLOWANCE FOR SOCIAL SECURITY TAXES.—The allowance for social security taxes is equal to the amount earned by the student multiplied by the social security withholding rate appropriate to the tax year of the earnings, up to the maximum statutory social security tax withholding amount for that same tax year.

"(5) The student's available income (determined in accordance with paragraph (1) of this subsection) is assessed at 50 percent.

"(h) STUDENT CONTRIBUTION FROM ASSETS.—The student contribution from assets is determined by calculating the net assets of the student (not including amounts reported for purposes of subsection (g)) and multiplying such amount by 35 percent, except that the result shall not be less than zero.

"(i) ADJUSTMENTS TO PARENTS' CONTRIBUTION FOR ENROLLMENT PERIODS OTHER THAN 9 MONTHS FOR PURPOSES OTHER THAN SUBPART 2 OF PART A OF THIS TITLE.—For periods of enrollment other than 9 months, the parents' contribution from adjusted available income (as determined under subsection (b)) is determined as follows for purposes other than subpart 2 of part A of this title:

"(1) For periods of enrollment less than 9 months, the parents' contribution from adjusted available income is divided by 9 and the result multiplied by the number of months enrolled.

"(2) For periods of enrollment greater than 9 months—

"(A) the parents' adjusted available income (determined in accordance with subsection (b)(1)) is increased by the difference between the income protection allowance (determined in accordance with subsection (c)(4)) for a family of four and a family of five, each with one child in college;

"(B) the resulting revised parents' adjusted available income is assessed according to subsection (e) and adjusted according to subsection (b)(3) to determine a revised parents' contribution from adjusted available income;

"(C) the original parents' contribution from adjusted available income is subtracted from the revised parents' contribution from adjusted available income, and the result is divided by 12 to determine the monthly adjustment amount; and

"(D) the original parents' contribution from adjusted available income is increased by the product of the monthly adjustment amount multiplied by the number of months greater than 9 for which the student will be enrolled.

"(j) ADJUSTMENTS FOR ENROLLMENT PERIODS OTHER THAN 9 MONTHS.—For periods of enrollment other than 9 months, the student's contribution (as determined under subsection (g)) is adjusted for purposes other than subpart 2 of part A of this title based on individual circumstances.

"SEC. 476. FAMILY CONTRIBUTION FOR INDEPENDENT STUDENTS WITHOUT DEPENDENT CHILDREN.

"(a) COMPUTATION OF EXPECTED FAMILY CONTRIBUTION.—For each independent student without dependent children, the expected family contribution is determined by—

"(1) adding—

"(A) the family's contribution from available income (determined in accordance with subsection (b)); and

"(B) the family's contribution from assets (determined in accordance with subsection (c)); and

"(2) dividing the sum resulting under paragraph (1) by the number of students who are enrolled or accepted for enrollment, on at least a half-time basis, in a degree, certificate, or other program leading to a recognized educational credential at an institution of higher education that is an eligible institution in accordance with the provisions of section 487 during the award period for which assistance under this title is requested;

except that the amount determined under this subsection shall not be less than zero.

"(b) FAMILY'S CONTRIBUTION FROM AVAILABLE INCOME.—

"(1) IN GENERAL.—The family's contribution from income is determined by—

"(A) deducting from total income (as defined in section 480)—

"(i) an allowance for Federal income taxes;

"(ii) an allowance for State and other taxes, determined in accordance with paragraph (2);

"(iii) an allowance for social security taxes, determined in accordance with paragraph (3);

"(iv) an income protection allowance for periods of nonenrollment not to exceed (I) $1,200 per month for single students; and (II) $750 per person, per month for married students; and

"(v) in the case where a spouse is present, an employment expense allowance, as determined in accordance with paragraph (4); and

"(B) assessing such available income in accordance with paragraph (5).

"(2) ALLOWANCE FOR STATE AND OTHER TAXES.—The allowance for State and other taxes is equal to an amount determined by multiplying total income (as defined in section 480) by a percentage determined according to the following table (or a successor table prescribed by the Secretary under section 478):

"Percentages for Computation of State and Other Income Tax Allowance

If the students' State or territory of residence is—	The percentage is—
Alaska, American Samoa, Florida, Guam, Nevada, South Dakota, Tennessee, Texas, Trust Territory, Virgin Islands, Washington, Wyoming	0
Connecticut, Louisiana, Puerto Rico	1
Arizona, New Hampshire, New Mexico, North Dakota	2
Alabama, Colorado, Illinois, Indiana, Kansas, Mississippi, Missouri, Montana, Nebraska, New Jersey, Oklahoma	3
Arkansas, Georgia, Iowa, Kentucky, Maine, Pennsylvania, Utah, Vermont, Virginia, West Virginia, Canada, Mexico	4
California, Idaho, Massachusetts, North Carolina, Ohio, Rhode Island, South Carolina	5
Hawaii, Maryland, Michigan, Wisconsin	6
Delaware, District of Columbia, Minnesota, Oregon	7
New York	8
Other	4

"(3) ALLOWANCE FOR SOCIAL SECURITY TAXES.—The allowance for social security taxes is equal to the amount earned by the student (and spouse, if appropriate), multiplied by the social security withholding rate appropriate to the tax year preceding the award year, up to the maximum statutory social security tax withholding amount for that same tax year.

"(4) EMPLOYMENT EXPENSES ALLOWANCE.—The employment expense allowance is determined as follows (or using a successor provision prescribed by the Secretary under section 478):

"(A) If the student is married and his or her spouse is employed in the year for which income is reported, such allowance is equal to the lesser of $2,600 or 35 percent of the earned income of the student or spouse with the lesser earned income.

"(B) If a student is not married, the employment expense allowance is zero.

"(5) ASSESSMENT OF AVAILABLE INCOME.—The family's available income (determined in accordance with paragraph (1)(A) of this subsection) is assessed at 50 percent.

"(c) FAMILY CONTRIBUTION FROM ASSETS.—

"(1) IN GENERAL.—The family's income supplemental amount from assets is equal to—

"(A) the family's net worth (determined in accordance with paragraph (2)); minus

"(B) the asset protection allowance (determined in accordance with paragraph (3)); multiplied by

"(C) the asset conversion rate (determined in accordance with paragraph (4));

except that the family's contribution from assets shall not be less than zero.

"(2) FAMILY'S NET WORTH.—The family's net worth is calculated by adding—

"(A) the current balance of checking and savings accounts and cash on hand;

"(B) the net value of investments and real estate, excluding the net value in the principal place of residence; and

"(C) the adjusted net worth of a business or farm, computed on the basis of the net worth of such business or farm (hereafter referred to as 'NW'), determined in accordance with the following table (or a successor table prescribed by the Secretary under section 478), except as provided under section 480(f):

"Adjusted Net Worth of a Business or Farm

If the net worth of a business or farm is—	Then the adjusted net worth is—
Less than $1	$0
$1–$75,000	40 percent of NW
$75,001–$225,000	$30,000 plus 50 percent of NW over $75,000
$225,001–$370,000	$105,000 plus 60 percent of NW over $225,000
$370,001 or more	$192,000 plus 100 percent of NW over $370,000

"(3) ASSET PROTECTION ALLOWANCE.—The asset protection allowance is calculated according to the following table (or a successor table prescribed by the Secretary under section 478):

"Asset Protection Allowances for Families and Students

If the age of the student is—	And the student is married	And the student is single
	then the asset protection allowance is—	
25 or less	$0	$0
26	2,700	1,900
27	5,300	3,800
28	8,000	5,600
29	10,600	7,500
30	13,300	9,400
31	15,900	11,300
32	18,600	13,200
33	21,200	15,000
34	23,900	16,900
35	26,500	18,800
36	29,200	20,700
37	31,800	22,600
38	34,500	24,400
39	37,100	26,300
40	39,800	28,200
41	40,800	28,900
42	41,900	29,400
43	42,600	30,200

"Asset Protection Allowances for Families and Students—Continued

If the age of the student is—	And the student is married	And the student is single
44	43,800	30,700
45	44,900	31,500
46	46,000	32,300
47	47,200	32,900
48	48,800	33,700
49	50,000	34,500
50	51,300	35,300
51	52,900	36,200
52	54,300	37,000
53	56,000	37,900
54	57,700	39,100
55	59,200	40,000
56	61,000	40,900
57	62,900	42,100
58	65,200	43,100
59	67,200	44,400
60	69,300	45,700
61	71,700	47,000
62	74,300	48,300
63	76,500	49,700
64	79,200	51,700
65 or more	81,900	52,700

"(4) ASSET CONVERSION RATE.—The asset conversion rate is 35 percent.

"SEC. 477. FAMILY CONTRIBUTION FOR INDEPENDENT STUDENTS WITH DEPENDENT CHILDREN.

"(a) COMPUTATION OF EXPECTED FAMILY CONTRIBUTION.—For each independent student with dependent children the expected family contribution is equal to the amount determined by—

"(1) computing adjusted available income by adding—

"(A) the family's available income (determined in accordance with subsection (b)); and

"(B) the family's contribution from assets (determined in accordance with subsection (c));

"(2) assessing such adjusted available income in accordance with an assessment schedule set forth in subsection (d); and

"(3) dividing the assessment resulting under paragraph (2) by the number of family members who are enrolled or accepted for enrollment, on at least a half-time basis, in a degree, certificate, or other program leading to a recognized educational credential at an institution of higher education that is an eligible institution in accordance with the provisions of section 487 during the award period for which assistance under this title is requested;

except that the amount determined under this subsection shall not be less than zero.

"(b) FAMILY'S AVAILABLE INCOME.—

"(1) IN GENERAL.—The family's available income is determined by deducting from total income (as defined in section 480)—

"(A) an allowance for Federal income taxes;

"(B) an allowance for State and other taxes, determined in accordance with paragraph (2);

"(C) an allowance for social security taxes, determined in accordance with paragraph (3);

"(D) an income protection allowance, determined in accordance with paragraph (4);

"(E) an employment expense allowance, determined in accordance with paragraph (5); and

"(F) an educational expense allowance, determined in accordance with paragraph (6).

"(2) ALLOWANCE FOR STATE AND OTHER TAXES.—The allowance for State and other taxes is equal to an amount determined by multiplying total income (as defined in section 480) by a percentage determined according to the following table (or a successor table prescribed by the Secretary under section 478):

"Percentages for Computation of State and Other Tax Allowance

If student's State or territory of residence is—	And family's total income is—	
	less than $15,000	$15,000 or more
	then the percentage is—	
Alaska, Puerto Rico, Wyoming	3	2
American Samoa, Guam, Louisiana, Nevada, Texas, Trust Territory, Virgin Islands	4	3
Florida, South Dakota, Tennessee, New Mexico	5	4
North Dakota, Washington	6	5
Alabama, Arizona, Arkansas, Indiana, Mississippi, Missouri, Montana, New Hampshire, Oklahoma, West Virginia	7	6
Colorado, Connecticut, Georgia, Illinois, Kansas, Kentucky	8	7
California, Delaware, Idaho, Iowa, Nebraska, North Carolina, Ohio, Pennsylvania, South Carolina, Utah, Vermont, Virginia, Canada, Mexico	9	8
Maine, New Jersey	10	9
District of Columbia, Hawaii, Maryland, Massachusetts, Oregon, Rhode Island	11	10
Michigan, Minnesota	12	11
Wisconsin	13	12
New York	14	13
Other	9	8

"(3) ALLOWANCE FOR SOCIAL SECURITY TAXES.—The allowance for social security taxes is equal to the amount estimated to be earned by the student (and spouse, if appropriate) multiplied by the social security withholding rate appropriate to the tax year preceding the award year, up to the maximum statutory social security tax withholding amount for that same tax year.

"(4) INCOME PROTECTION ALLOWANCE.—The income protection allowance is determined by the following table (or a successor table prescribed by the Secretary under section 478):

"Income Protection Allowance

Family size (including student)	Number in college: 1	2	3	4	5	For each additional subtract:
2	$10,270	$8,560				
3	12,840	11,130	$9,420			
4	15,790	14,080	12,370	$10,660		
5	18,750	17,040	15,330	13,620	$11,910	
6	21,830	20,120	18,410	16,700	14,990	$1,710
For each additional add:	2,570	2,570	2,570	2,570	2,570	

"(5) EMPLOYMENT EXPENSE ALLOWANCE.—The employment expense allowance is determined as follows (or a successor table prescribed by the Secretary under section 478):

"(A) If the student is married and his or her spouse is employed in the year for which their income is reported, such allowance is equal to the lesser of $2,600 or 35 percent of the earned income of the student or spouse with the lesser earned income.

"(B) If a student qualifies as a surviving spouse or as a head of household as defined in section 2 of the Internal Revenue Code, such allowance is equal to the lesser of $2,600 or 35 percent of his or her earned income.

"(6) EDUCATIONAL EXPENSE ALLOWANCE.—The educational expense allowance is equal to the unreimbursed tuition and fees paid by the student or the student's spouse, or both, for each dependent child, enrolled in elementary or secondary school, not to exceed for each such child the national average per pupil cost as published by the Center for Educational Statistics using the most recent available data.

"(c) FAMILY'S CONTRIBUTION FROM ASSETS.—

"(1) IN GENERAL.—The family's contribution from assets is equal to—

"(A) the family net worth (determined in accordance with paragraph (2)); minus

"(B) the asset protection allowance (determined in accordance with paragraph (3)); multiplied by

"(C) the asset conversion rate (determined in accordance with paragraph (4)), except that the result shall not be less than zero.

"(2) FAMILY NET WORTH.—The family net worth is calculated by adding—

"(A) the current balance of checking and savings accounts and cash on hand;

"(B) the net value of investments and real estate, excluding the net value in the principal place of residence; and

"(C) the adjusted net worth of a business or farm, computed on the basis of the net worth of such business or farm (hereafter referred to as 'NW'), determined in accordance with the following table (or a successor table prescribed by the Secretary under section 478), except as provided under section 480(f):

"Adjusted Net Worth of a Business or Farm

If the net worth of a business or farm is—	Then the adjusted net worth is—
Less than $1	$0
$1–$75,000	40 percent of NW
$75,001–$225,000	$30,000 plus 50 percent of NW over $75,000
$225,001–$370,000	$105,000 plus 60 percent of NW over $225,000
$370,001 or more	$192,000 plus 100 percent of NW over $370,000

"(3) ASSET PROTECTION ALLOWANCE.—The asset protection allowance is calculated according to the following table (or a successor table prescribed by the Secretary under section 478):

"Asset Protection Allowances for Families and Students

If the age of the student is—	And the student is married	single
	then the asset protection allowance is—	
25 or less	$0	$0
26	2,700	1,900
27	5,300	3,800
28	8,000	5,600
29	10,600	7,500
30	13,300	9,400
31	15,900	11,300
32	18,600	13,200
33	21,200	15,000
34	23,900	16,900
35	26,500	18,800
36	29,200	20,700
37	31,800	22,600
38	34,500	24,400
39	37,100	26,300
40	39,800	28,200
41	40,800	28,900
42	41,900	29,400
43	42,600	30,200
44	43,800	30,700
45	44,900	31,500
46	46,000	32,300
47	47,200	32,900
48	48,800	33,700
49	50,000	34,500
50	51,300	35,300
51	52,900	36,200
52	54,300	37,000
53	56,000	37,900
54	57,700	39,100
55	59,200	40,000
56	61,000	40,900
57	62,900	42,100
58	65,200	43,100
59	67,200	44,400
60	69,300	45,700
61	71,700	47,000
62	74,300	48,300
63	76,500	49,700
64	79,200	51,100
65 or more	81,900	52,700

"(4) ASSET CONVERSION RATE.—The asset conversion rate is 12 percent.

"(d) ASSESSMENT SCHEDULE.—The adjusted available income (as determined under subsection (a)(1) and hereafter referred to as 'AAI') is assessed according to the following table (or a successor table prescribed by the Secretary under section 478):

"Assessment From Adjusted Available Income (AAI)

If AAI is—	Then the assessment is—
Less than −$3,409	−$750
−$3,409 to $9,300	22% of AAI
$9,301 to $11,600	$2,046 + 25% of AAI over $9,300
$11,601 to $14,000	$2,621 + 29% of AAI over $11,600
$14,001 to $16,300	$3,317 + 34% of AAI over $14,000
$16,301 to $18,700	$4,099 + 40% of AAI over $16,300
$18,701 or more	$5,059 + 47% of AAI over $18,700

"SEC. 478. REGULATIONS; UPDATED TABLES.

"(a) AUTHORITY TO PRESCRIBE REGULATIONS RESTRICTED.—(1) Notwithstanding any other provision of law, the Secretary shall not have the authority to prescribe regulations to carry out this part except—

"(A) to prescribe updated tables in accordance with subsections (b) through (e) of this section; or

"(B) to propose modifications in the need analysis methodology required by this part.

"(2) Any regulation proposed by the Secretary that (A) updates tables in a manner that does not comply with subsections (b) through (e) of this section, or (B) that proposes modifications under paragraph (1)(B) of this subsection, shall not be effective unless approved by joint resolution of the Congress by May 1 following the date such regulations are published in the Federal Register in accordance with section 482. If the Congress fails to approve such regulations by such May 1, the Secretary shall publish in the Federal Register in accordance with section 482 updated tables for the applicable award year that are prescribed in accordance with subsections (b) through (e) of this section.

"(b) INCOME PROTECTION ALLOWANCE.—(1) For each award year after award year 1992–1993, the Secretary shall publish in the Federal Register a revised table of income protection allowances for the purpose of sections 475(c)(4) and 477(b)(4). Such revised table shall be developed by using the most recent data from the Consumer Expenditure Survey Integrated Survey Data and multiplying it as necessary by the percentage change in the Consumer Price Index. The income protection allowance for a family of three with one in college is equal to the lower living standard less a percentage for sales taxes (determined in accordance with paragraph (2)), less an amount (determined in accordance with paragraph (3)) for education expenditures, and less a student-in-college allowance (determined in accordance with paragraph (4)). The result is multiplied by the percentage change in the Consumer Price Index. The income protection allowance for other families is determined by using the appropriate equivalency scale in paragraph (5).

"(2) From the mean total household expenditures (prevailing standard), a 5 percent allowance is subtracted for sales taxes. The result is multiplied by 75 percent to reach the median total household expenditures and again multiplied by 67 percent to arrive at the lower living standard.

"(3) Education expenditures are those associated with elementary, secondary, and postsecondary tuition as identified in the Consumer Expenditure Survey Integrated Survey Data. The result is multiplied by 75 percent to reach the median total expenditures in these categories and again multiplied by 67 percent to arrive at the lower living standard.

"(4) The student-in-college adjustment is equal to nine months of mean individual expenses for food, apparel, transportation, entertainment, and personal care, minus a 5 percent allowance for sales taxes. The result is multiplied by 75 percent to reach the median total individual expenditures in these categories and again multiplied by 67 percent to arrive at the lower living standard.

''(5) The following equivalency scales are based on an average family size of 3:

''Parents' Assessment From Adjusted Available Income (AAI)

Family Size	Equivalency
1	.64
2	.80
3	1.00
4	1.23
5	1.46
6	1.70

''(6) There is an additional adjustment necessary for families of seven or more. This adjustment is determined by applying the appropriate equivalency percentage to derive the income protection allowance amount for a family size of seven and establishing the difference between this figure and the income protection allowance for a family size of six as the standard adjustment.

''(7) There is an additional adjustment necessary for families with more than five students enrolled in postsecondary education. This adjustment is determined by multiplying the student-in-college adjustment (determined in accordance with paragraph (4)) as appropriate by the Consumer Price Index.

''(8) The monthly maintenance allowance for purposes of section 476(b)(1)(B)(iv)(I) is calculated by—

''(A) adding the student in college adjustment (determined in accordance with paragraph (4)) to the income protection allowance (determined in accordance with paragraph (1));

''(B) multiplying the result by 0.64 to derive the income protection allowance for a family size of 1;

''(C) dividing the result by 12 to obtain a monthly amount; and

''(D) multiplying the result by 1.5 and rounding upward to the nearest $50 to derive the prevailing level amount.

''(9) The monthly maintenance allowance for purposes of section 476(b)(1)(B)(iv)(II) is calculated by—

''(A) adding the student in college adjustment (determined in accordance with paragraph (4)) to the income protection allowance (determined in accordance with paragraph (1));

''(B) multiplying the result by 80 percent to derive the income protection allowance for a family size of 2;

''(C) dividing the result by 12 to obtain a monthly amount;

''(D) dividing the result by 2 to determine a per person amount; and

''(E) multiplying the result by 150 percent and rounding upward to the nearest $50 to derive the prevailing level amount.

''(c) ADJUSTED NET WORTH OF A BUSINESS.—For each award year after award year 1992–1993, the Secretary shall publish in the Federal Register a revised table of adjusted net worth of a business for purposes of sections 475(d)(2)(C), 476(c)(2)(C), and 477(c)(2)(C). Such revised table shall be developed—

''(1) by increasing each dollar amount that refers to net worth of a business by a percentage equal to the estimated percentage increase in the Consumer Price Index (as determined by the Secretary) between 1992 and the December next preceding the beginning of such award year, and rounding the result to the nearest $5,000; and

''(2) by adjusting the dollar amounts '$30,000', '$105,000', and '$192,000' to reflect the changes made pursuant to paragraph (1).

''(d) ASSET PROTECTION ALLOWANCE.—(1) For each award year after award year 1992–1993, the Secretary shall publish in the Federal Register a revised table of asset protection allowances for the purpose of sections 475(d)(3), 476(c)(3), and 477(c)(3). Such revised table shall be developed by using the most recent data from the Consumer Expenditure Survey Integrated Survey Data according to paragraph (2) of this subsection.

''(2) Such revised table shall be developed by determining the present value cost, rounded to the nearest $100 and based on annually determined average life expectancy, of an annuity that would provide, for each age cohort of 40 and above, a supplemental income at age 65 (adjusted for inflation) equal to the difference between the prevailing standard level of the Consumer Expenditure Survey (adjusted as appropriate by the Consumer Price Index), and the current average social security retirement benefits. For each age cohort below 40, the asset protection allowance shall be computed by decreasing the asset protection allowance for age 40, as updated, by one-fifteenth for each year of age below age 40 and rounding the result to the nearest $100. In making such determinations—

''(A) inflation shall be presumed to be 6 percent per year;

''(B) the rate of return of an annuity shall be presumed to be 8 percent; and

''(C) the sales commission on an annuity shall be presumed to be 6 percent.

''(e) ASSESSMENT SCHEDULES AND RATES.—For each award year after award year 1992–1993, the Secretary shall publish in the Federal Register a revised table of assessments from adjusted available income for the purpose of sections 475(e) and 477(d). Such revised table shall be developed—

''(1) by increasing each dollar amount that refers to adjusted available income by a percentage equal to the estimated percentage increase in the Consumer Price Index (as determined by the Secretary) between December 1992 and the December next preceding the beginning of such academic year, rounded to the nearest $100; and

''(2) by adjusting the other dollar amounts to reflect the changes made pursuant to paragraph (1).

''(f) DEFINITION OF CONSUMER PRICE INDEX.—As used in this section, the term 'Consumer Price Index' means the Consumer Price Index for All Urban Consumers published by the Department of Labor. Each annual update of tables to reflect changes in the Consumer Price Index shall be corrected for misestimation of actual changes in such Index in previous years.

''(g) STATE AND OTHER TAX ALLOWANCE.—For each award year after award year 1992–1993, the Secretary shall publish in the Federal Register a revised table of State and other tax allowances for the purpose of sections 475(c)(2), 475(q)(3), 476(b)(2), and 477(b)(2). The Secretary shall develop such revised table after review of the Department of the Treasury's Statistics of Income file and determination of the percentage of income that each State's taxes represent.

''(h) EMPLOYMENT EXPENSE ALLOWANCE.—For each award year after award year 1992–1993, the Secretary shall publish in the Federal Register a revised table of employment expense allowances for the purpose of sections 475(c)(5), 476(b)(4), and 477(b)(5). Such revised table shall be developed by using the most recent expense data from the Consumer Expenditure Survey Integrated Survey Data and updating it as appropriate by the Consumer Price Index. Such revised table shall be developed—

''(1) by determining according to the Consumer Price Expenditure Survey for each of the most recent three years, the difference between average expenditures for two-earner and one-earner families on meals away from home, clothing, transportation, and personal household services;

''(2) multiplying each resulting amount as appropriate by the Consumer Price Index;

''(3) multiplying each result by 70 percent;

''(4) determining a three-year average for such expenditures; and

''(5) rounding the result to the nearest $100.

''SEC. 479. SIMPLIFIED NEEDS TEST.

''(a) GENERAL ELIGIBILITY.—For purposes of this title and as provided in subsection (b), individuals who do not file an Internal Revenue Service form 1040 shall be considered to have a zero family contribution if—

''(1) for purposes of section 475 of this part, the sum of the adjusted gross income of the parents is less than or equal to the maximum amount of income (rounded annually to the nearest thousand dollars) that may be earned in order to claim the Federal earned income credit; or

''(2) for purposes of section 477 of this part, the sum of the adjusted gross income of the student and spouse (if appropriate) is less than or equal to the maximum amount of income (rounded annually to the nearest thousand dollars) that may be earned in order to claim the Federal earned income credit.

''(b) SPECIAL RULE.—To be eligible under this section, an individual is not required to qualify or file for the earned income credit.

''SEC. 479A. DISCRETION OF STUDENT FINANCIAL AID ADMINISTRATORS.

''Nothing in this title shall be interpreted as limiting the authority of the financial aid administrator, on the basis of adequate documentation, to make adjustments on a case-by-case basis to the cost of attendance or the data required to calculate the expected student or parent contribution (or both), or to allow for treatment of an individual eligible applicant with special circumstances. However, this authority shall not be construed to permit aid administrators to deviate from the contributions expected in the absence of special circumstances. Special circumstances shall be conditions that differentiate an individual student from a class of students rather than conditions that exist across a class of students. Adequate documentation for such adjustments shall substantiate such special circumstances of individual students. In addition, nothing in this title shall be interpreted as limiting the authority of the student financial aid administrator in such cases to request and use supplementary information about the financial status or personal circumstances of eligible applicants in selecting recipients and determining the amount of awards under this title. For the purposes of this section, special circumstances include excluding from family income any proceeds of a sale of farm or business assets of a family if such sale results from a voluntary or involuntary foreclosure, forfeiture, or bankruptcy or an involuntary liquidation.

''SEC. 479B. DISREGARD OF STUDENT AID IN OTHER FEDERAL PROGRAMS.

''Notwithstanding any other provision of law, student financial assistance received under this title, or under Bureau of Indian Affairs student assistance programs, shall not be taken into account in determining the need or eligibility of any person for benefits or assistance, or the amount of such benefits or assistance, under any Federal, State, or local program financed in whole or in part with Federal funds.

''SEC. 479C. NATIVE AMERICAN STUDENTS.

''In determining family contributions for Native American students, computations performed pursuant to this part shall exclude—

''(1) any income and assets of $2,000 or less per individual payment received by the student (and spouse) and student's parents under the Per Capita Act or the Distribution of Judgment Funds Act; and

''(2) any income received by the student (and spouse) and student's parents under the Alaskan Native Claims Settlement Act or the Maine Indian Claims Settlement Act.

"SEC. 480. DEFINITIONS.

''As used in this part:

''(a) TOTAL INCOME.—(1) Except as provided in paragraph (2), for parents of dependent students and for dependent students, the term 'total income' is equal to adjusted gross income plus untaxed income and benefits for the preceding tax year minus excludable income (as defined in subsection (e)).

''(2) For the independent student and, if appropriate his or her spouse, the term 'total income' is equal to adjusted gross income plus untaxed income and benefits minus excludable income as defined in subsection (e) for the period of July 1 to June 30 of the award year.

''(3) No portion of any student financial assistance received from any program by an individual shall be included as income or assets in the computation of expected family contribution for any program funded in whole or in part under this Act.

''(b) UNTAXED INCOME AND BENEFITS.—The term 'untaxed income and benefits' means—

''(1) child support received;

''(2) welfare benefits, including aid to families with dependent children under a State plan approved under part A of title IV of the Social Security Act and aid to dependent children;

''(3) workman's compensation;

''(4) veterans' benefits, including death pension, dependency, indemnity compensation, and veterans' education benefits as defined in subsection (c);

''(5) interest on tax-free bonds;

''(6) housing, food, and other allowances (excluding rent subsidies for low-income housing) for military, clergy, and others (including cash payments and cash value of benefits);

''(7) cash support or any money paid on the student's behalf, except, for dependent students, funds provided by his or her parents;

''(8) the amount of earned income credit claimed for Federal income tax purposes;

''(9) untaxed portion of pensions;

''(10) credit for Federal tax on special fuels;

''(11) the amount of foreign income excluded for purposes of Federal income taxes;

''(12) untaxed social security benefits;

''(13) payments to individual retirement accounts and Keogh accounts excluded from income for Federal income tax purposes; and

''(14) any other untaxed income and benefits, such as Black Lung Benefits, Refugee Assistance, railroad retirement benefits, or Job Training Partnership Act noneducational benefits.

''(c) VETERAN AND VETERANS' BENEFITS.—(1) The term 'veteran' means any individual who—

''(A) has engaged in the active duty in the United States Army, Navy, Air Force, Marines, or Coast Guard; and

''(B) was released under a condition other than dishonorable.

''(2) The term 'veterans' benefits' means veterans' benefits the student will receive during the award year, including but not limited to the following:

''(A) Title 10, chapter 2: Reserve Officer Training Corps scholarship.

''(B) Title 10, chapter 106: Selective Reserve.

''(C) Title 10, chapter 107: Selective Reserve Educational Assistance Program.

''(D) Title 37, chapter 2: Reserve Officer Training Corps Program.

''(E) Title 38, chapter 30: Montgomery GI Bill—active duty.

''(F) Title 38, chapter 31: vocational rehabilitation.

''(G) Title 38, chapter 32: Post-Vietnam Era Veterans' Educational Assistance Program.

''(H) Title 38, chapter 35: Dependents Educational Assistance Program.

''(I) Title 38, section 207: unnamed program for 1977–78 service academy attendees and 1978 ROTC graduates.

''(J) Public Law 97–376, section 156: Restored Entitlement Program for Survivors (or Quayle benefits).

''(K) Public Law 96–342, section 903: Educational Assistance Pilot Program.

''(d) INDEPENDENT STUDENT.—The term 'independent', when used with respect to a student, means any individual who—

''(1) is 24 years of age or older by December 31 of the award year;

''(2) is an orphan or ward of the court;

''(3) is a veteran of the Armed Forces of the United States (as defined in subsection (c)(1));

''(4) is a graduate or professional student;

''(5) is a married individual;

''(6) has legal dependents other than a spouse; or

''(7) is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances.

''(e) EXCLUDABLE INCOME.—The term 'excludable income' means—

''(1) any student financial assistance awarded based on need as determined in accordance with the provisions of this part, including any income earned from work under part C of this title;

''(2) any living allowance received by a participant in a program established under the National and Community Service Act of 1990;

''(3) child support payments made by the student or parent; and

''(4) payments made and services provided under part E of title IV of the Social Security Act.

''(f) ASSETS.—(1) The term 'assets' means cash on hand, including the amount in checking and savings accounts, time deposits, money market funds, trusts, stocks, bonds, other securities, mutual funds, tax shelters, and the net value of real estate, income producing property, and business and farm assets.

''(2) With respect to determinations of need under this title, other than for subpart 4 of part A, the term 'assets' shall not include the net value of—

''(A) the family's principal place of residence;

''(B) a family farm on which the family resides; or

''(C) a small business (as that term is defined in regulation prescribed by the Administrator of the Small Business Administration pursuant to the Small Business Act) substantially owned and managed by a member or members of the family.

''(g) NET ASSETS.—The term 'net assets' means the current market value at the time of application of the assets included in the definition of 'assets', minus the outstanding liabilities or indebtedness against the assets.

''(h) TREATMENT OF INCOME TAXES PAID TO OTHER JURISDICTIONS.—(1) The tax on income paid to the Governments of the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, or the Northern Mariana Islands, or the Trust Territory of the Pacific Islands under the laws applicable to those jurisdictions, or the comparable tax paid to the central government of a foreign country, shall be treated as Federal income taxes.

''(2) References in this part to the Internal Revenue Code of 1986, Federal income tax forms, and the Internal Revenue Service shall, for purposes of the tax described in paragraph (1), be treated as references to the corresponding laws, tax forms, and tax collection agencies of those jurisdictions, respectively, subject to such adjustments as the Secretary may prescribe by regulation.

''(i) CURRENT BALANCE.—The term 'current balance of checking and savings accounts' does not include any funds over which an individual is barred from exercising discretion and control because of the actions of any State in declaring a bank emergency due to the insolvency of a private deposit insurance fund.

''(j) OTHER FINANCIAL ASSISTANCE; TUITION PREPAYMENT PLANS.—(1) For purposes of determining a student's eligibility for funds under this title, estimated financial assistance not received under this title shall include all scholarships, grants, loans, or other assistance known to the institution at the time the determination of the student's need is made.

''(2)(A) Except as provided in subparagraph (B), for purposes of determining a student's eligibility for funds under this title, tuition prepayment plans shall reduce the cost of attendance (as determined under section 472) by the amount of the prepayment, and shall not be considered estimated financial assistance.

''(B) If the institutional expense covered by the prepayment must be part of the student's cost of attendance for accounting purposes, the prepayment shall be considered estimated financial assistance, as defined in subsection 480(j).''.

PART G—GENERAL PROVISIONS

SEC. 481. DEFINITIONS.

(a) INSTITUTION OF HIGHER EDUCATION.—(1) Section 481(a)(1) of the Act is amended—

(A) by striking ''and part B'';

(B) by adding ''and'' at the end of subparagraph (A);

(C) by striking the semicolon at the end of subparagraph (B) and inserting a period; and

(D) by striking subparagraphs (C) and (D).

(2) Section 481(a) of the Act is amended by striking paragraphs (2) and (3) and inserting the following:

''(2) Notwithstanding paragraph (1) of this subsection, an institution which enrolls 50 percent or more of its students in correspondence courses is not an 'institution of higher education' under this title.

''(3) An institution may not qualify as an institution of higher education if—

''(A) such institution has filed for bankruptcy; and

''(B) the institution, its owner, or its chief executive officer has been convicted of, or has pled nolo contendere or guilty to, a crime involving the acquisition, use, or expenditure of funds under this title, or has been judicially determined to have committed fraud involving funds under this title.

''(4) An institution may not qualify as an institution of higher education for purposes of the Pell Grant program under subpart 2 of part A of this title if such institution is ineligible to participate in a loan program under part B of this title as a result of a default rate determination under section 435(a).

''(5) The Secretary shall certify an institution's qualification as an institution of higher education in accordance with the requirements of subsections (e) and (f) of this subsection.''.

(b) PROPRIETARY INSTITUTIONS OF HIGHER EDUCATION.—Section 481(b) is amended by—

(1) inserting ''pursuant to section 1205'' after ''this purpose'';

(2) by striking ''and'' at the end of clause (4); and

(3) by striking the period at the end of clause (5) and inserting the following: '', and (6) which has at least 15 percent of its revenues from sources that are not derived from funds provided under this title.''.

(c) AWARD YEAR.—Section 481(d) of the Act is amended to read as follows:

''(d) ACADEMIC AND AWARD YEAR.—(1) For the purpose of any program under this title, the term 'award year' shall be defined as the period beginning July 1 and ending June 30 of the following year.

''(2) For the purpose of any program under this title, the term 'academic year' shall require a minimum of 30 weeks of instructional time in which a full-time student is expected to complete at least 24 semester or trimester hours or 36 quarter hours at an institution which measures program length in credit hours or at least 900 clock hours at an institution which measures program length in clock hours. For the purposes of any program under this title, program length for any course of instruction of less than two years which is occupational, vocational, trade, or technical in nature shall be measured in clock hours, except for a program where all of the hours are fully acceptable for credit in a two or four year program at the institution.''.

(d) BRANCHES OF INSTITUTIONS; CHANGES OF OWNERSHIP; THIRD PARTY SERVICERS.—Section 481 of the Act is amended by striking subsection (e) and inserting the following new subsections:

''(e) TIME LIMITATIONS ON, AND RENEWAL OF, ELIGIBILITY.—(1) The eligibility for the purposes of any program authorized under this title of any institution that is participating in any such program on the date of enactment of the Higher Education Amendments of 1992 shall expire in accordance with the schedule prescribed by the Secretary in accordance with paragraphs (2) and (3), but not later than 5 years after such date of enactment.

''(2) The Secretary shall establish a schedule for the expiration of the eligibility for purposes of any such program of all institutions of higher education within the 5-year period specified in paragraph (1).

''(3) Such schedule shall place a priority for the expiration of the certification of institutions on those that meet the following criteria: (A) institutions with high default rates, (B) institutions where there is evidence of fraud and abuse, (C) institutions lacking financial responsibility, (D) institutions with a record of having violated or failed to carry out any provisions of this title, or (E) other institutions which the Secretary deems necessary.

''(4) After the expiration of the certification of any institution under the schedule prescribed under this subsection, or upon request for initial certification from an institution not previously certified, the Secretary may certify the eligibility for the purposes of any program authorized under this title of each such institution for a period not to exceed 4 years.

''(5) The personnel of the Department of Education shall conduct a site visit at each institution before certifying or recertifying its eligibility for purposes of any such program. The Secretary may charge reasonable fees to cover the expenses of certification and site visits and, to the extent permitted by appropriations Acts, may retain such fees to cover such expenses.

''(6) The Secretary shall not certify the eligibility of any institution for such purposes unless the Secretary determines that such institution complies with criteria prescribed by the Secretary, pursuant to section 487(a)(3), to ensure the proper and efficient administration of funds received from the Secretary or from students under this title.

''(f) PROVISIONAL CERTIFICATION OF INSTITUTIONAL ELIGIBILITY.—(1) Notwithstanding any other provision of law, the Secretary is authorized to provisionally certify an institution's eligibility to participate in programs under this title if—

''(A) the institution's administrative capability and financial responsibility is being determined for the first time;

''(B) there is a complete or partial transfer of ownership, as defined under section 481(h), of an eligible institution; or

''(C) the Secretary deems that an institution is, in the judgment of the Secretary, in an administrative or financial condition that may jeopardize its ability to perform its responsibilities under its program participation agreement.

''(2) The Secretary may provisionally certify an institution under this subsection for up to 3 complete award years.

''(3) If, prior to the end of a period of provisional certification under this subsection, the Secretary determines that the institution is unable to meet its responsibilities under its program participation agreement, the Secretary may terminate the institution's participation in programs under this title.

''(g) BRANCHES.—For the purposes of this title, a branch of an eligible institution, as defined pursuant to the regulations of the Secretary, is a separate institution of higher education and therefore must separately meet all the requirements of this title.

''(h) CHANGES OF OWNERSHIP.—For the purpose of this section (other than subsection (b)(5)), an eligible institution of higher education that has a change in ownership resulting in a change in control shall not be considered to be the same institution and shall be considered a new institution for the purpose of establishing eligibility. Such actions may include (but are not limited to)—

''(1) the sale of the institution or the majority of its assets;

''(2) the transfer of the controlling interest of stock of the institution or its parent corporation;

''(3) the merger of two or more eligible institutions;

''(4) the division of one or more institutions into two or more institutions;

''(5) the transfer of the controlling interest of stock of the institutions to its parent corporation; or

''(6) the transfer of the liabilities of the institution to its parent corporation.

''(i) THIRD PARTY SERVICER.—For purposes of this title, the term 'third party servicer' means—

''(1) any State or private, profit or nonprofit organization or individual which enters into a contract with any eligible institution of higher education to administer, through either manual or automated processing, any aspect of such institution's student assistance programs under this title; or

''(2) any State or private, profit or nonprofit organization or individual which enters into a contract with any guaranty agency, or any eligible lender, to administer, through either manual or automated processing, any aspect of such guaranty agency's or lender's student loan programs under part B of this title, including but not limited to, originating, guaranteeing, monitoring, processing, servicing, or collecting loans.''.

SEC. 482. MASTER CALENDAR.

(a) AMENDMENT.—Section 482(c) of the Act is amended to read as follows:

''(c) DELAY OF EFFECTIVE DATE OF LATE PUBLICATIONS.—Any regulatory changes initiated by the Secretary affecting the programs pursuant to this title that have not been published in final form by December 1 prior to the start of the award year shall not become effective until the beginning of the second award year after such December 1 date.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 482(a)(1) of the Act is amended by striking ''sections 411E and'' each place it appears in subparagraphs (B) and (C) and inserting ''section''.

(2) Section 482(b) of the Act is amended by striking ''subpart 2'' and inserting ''subpart 3''.

SEC. 483. FORMS AND REGULATIONS.

(a) FORMS AND PROCESSING.—Section 483(a) of the Act is amended—

(1) in paragraph (1)—

(A) by striking ''subpart 3'' in the first sentence and inserting ''subpart 4''; and

(B) by striking out the third and fourth sentences and inserting the following sentences: ''The common financial reporting form prescribed by the Secretary shall be produced, distributed, and processed by the Secretary and no parent or student shall be charged a fee for the collection, processing, or delivery of financial aid through the use of such form. If an institution requires or encourages a student to provide additional data through an approved contractor, the charge to the student must be reasonable and based upon the marginal cost of collecting, processing, and delivering such data, adjusted for any payment received by the contractor to produce, distribute, and process the common financial reporting form prescribed by the Secretary. The need and eligibility of a student for financial assistance under parts A, C, and E of this title (other than under subpart 4 of part A) and the need of a student for the purpose of parts B and D of this title, may only be determined by using the form developed by the Secretary pursuant to this section. No student may receive assistance under parts A, C, and E of this title (other than under subpart 4 of part A) or have his or her need established for the purpose of parts B and D of this title, except by use of the form developed by the Secretary pursuant to this section. Institutions and States may receive without charge the data collected by the Secretary using the form developed pursuant to this section for the purposes of determining need and eligibility for institutional and State financial aid awards. This application will satisfy the requirements of section 411(d) of this title.'';

(2) in paragraph (2)—

(A) by striking '', to the extent practicable,'' in the first sentence;

(B) by striking ''not less than 5'' in the first sentence; and

(C) by striking the second sentence;

(3) by redesignating paragraph (5) as paragraph (6);

(4) by inserting after paragraph (4) the following new paragraph:

''(5) No approved contractor shall enter into exclusive arrangements with guarantors, lenders, secondary markets, or institutions for the purpose of reselling or sharing of data collected for the multiple data entry process. All data collected for the multiple data entry process is the exclusive property of the Secretary and may not be transferred to a third party by an approved contractor without the Secretary's expressed written approval.''; and

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

''(7) Individuals determined to have a zero family contribution pursuant to section 479 shall not be required to provide any financial data, except that which is necessary to determine eligibility under that section.''.

(b) ADDITIONAL AMENDMENTS.—Section 483 is further amended—

(1) by striking subsections (d) and (f);

(2) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively; and

(3) by inserting after subsection (a) the following new subsection:

''(b) STREAMLINED REAPPLICATION PROCESS.—(1) The Secretary shall, within 240 days after the date of enactment of the Higher Education Amendments of 1992, develop a streamlined process for those recipients who reapply for financial aid funds under this title in the next succeeding academic year subsequent to the initial year in which they apply.

''(2) The Secretary shall develop appropriate mechanisms to support reapplication.

''(3) The Secretary shall determine, in cooperation with institutions, agencies, and organizations involved in student financial assistance, the data elements that can be updated from the previous academic year's application.

''(4) Nothing in this title shall be interpreted as limiting the authority of the Secretary to reduce the number of data elements required of reapplicants.''; and

(4) by amending subsection (e) to read as follows:

''(e) TOLL-FREE INFORMATION.—The Secretary shall contract for, or establish, and publicize a toll-free telephone number, including a telephone number accessible by telecommunication devices for the deaf (TDD's), to provide timely and accurate information to the general public and to refer students with disabilities and their families to the national clearinghouse on postsecondary education that is authorized under section 633(c) of the Individuals with Disabilities Education Act.''.

SEC. 484. STUDENT ELIGIBILITY.

(a) IN GENERAL.—Section 484 of the Act is amended—

(1) in subsection (a)(1), by inserting ''(including a program of study abroad approved for credit by the eligible institution)'' after ''or other program''; and

(2) by striking paragraph (4) of subsection (a) and inserting the following:

''(4) file with the institution of higher education which the student intends to attend, or is attending (or in the case of a loan or loan guarantee with the lender), a document, which need not be notarized, but which shall include—

''(A) a statement of educational purpose stating that the money attributable to such grant, loan, or loan guarantee will be used solely for expenses related to attendance or continued attendance at such institution; and

''(B) such student's social security number;'';

(3) by striking the period at the end of paragraph (5) and inserting ''; and''; and

(4) by adding at the end the following new paragraph:

''(6) in the case of a student enrolled in an undergraduate program of study, not have previously received a baccalaureate degree.''.

(b) EXCEPTIONS TO ELIGIBLE STUDENT DEFINITION.—

(1) AMENDMENTS.—Section 484(b) of the Act is amended—

(A) by striking ''subpart 1'' each place it appears in paragraph (1) and inserting ''subpart 2'';

(B) in paragraph (4)—

(i) by striking ''part B'' and inserting ''part B, D, or E''; and

(ii) by inserting before the period at the end the following: ''or work-study assistance under part C of this title''; and

(C) by adding at the end the following new paragraph:

''(5) Notwithstanding any other provision of this subsection, no incarcerated student is eligible to receive a loan under this title.''.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1)(B) of this subsection shall be effective on and after December 1, 1987.

(c) ABILITY TO BENEFIT.—Section 484(d) of the Act is amended—

(1) by striking ''subparts 1, 2, and 3'' and inserting ''subparts 2, 3, and 4'';

(2) by striking ''shall'' and inserting ''shall (1)''; and

(3) by striking the period at the end thereof and inserting the following: ''; or (2) be determined as having the ability to benefit from the education or training in accordance with such process as the State or an agency of such State shall prescribe. Any such process described or approved by a State for the purposes of this section shall be effective only upon review and approval of the Secretary in accordance with standards duly promulgated by the Secretary, which standards shall take into account the effectiveness of such process in enabling students without high school diplomas or the equivalent thereof to benefit from the instruction offered by institutions utilizing such process, and shall also take into account the cultural diversity, economic circumstances, and educational preparation of the populations served by the institutions.''.

(d) VERIFICATION.—Section 484(f) of the Act is amended by adding at the end the following new sentence: ''Nothing in this subsection shall preclude the Secretary from verifying all applications for aid through the use of any means available, including through the exchange of information with any other Federal agency.''.

(e) LOSS OF ELIGIBILITY.—Section 484(g) of the Act is amended—

(1) by inserting ''(1)'' before ''No student'';

(2) by inserting '', part D'' after ''part B'' each place it appears;

(3) by inserting ''fraudulently'' before ''borrowed'' each place it appears; and

(4) by adding at the end the following new paragraph:

''(2) If the institution determines that the student inadvertently borrowed amounts in excess of such annual or aggregate maximum loan limits, such institution shall allow the student to repay any amount borrowed in excess of such limits prior to certifying the student's eligibility for further assistance under this title.''.

(f) ADDITIONAL REQUIREMENTS.—

(1) AMENDMENT.—Section 484 of the Act is amended by adding at the end thereof the following new subsections:

''(l) VERIFICATION OF SOCIAL SECURITY NUMBER.—The Secretary of Education, in cooperation with the Commissioner of the Social Security Administration, shall verify any social security number provided by a student to an eligible institution under subsection (a)(4) and shall enforce the following conditions:

''(1) An institution shall not deny, reduce, delay, or terminate a student's eligibility for assistance under this part because social security number verification is pending.

''(2) If there is a determination by the Secretary that the social security number provided to an eligible institution by a student is incorrect, the institution shall deny or terminate the student's eligibility for any grant, loan, or work assistance under this title until such time as the student provides a correct social security number.

''(3) If there is a determination by the Secretary that the social security number provided to an eligible institution by a student is incorrect, and a correct social security number cannot be provided by such student, and a loan has been guaranteed for such student under part B of this title, the institution shall notify and instruct the lender and guaranty agency making and guaranteeing the loan to cease further payments under the loan, but such guaranty shall not be voided or otherwise nullified with respect to such payments made before the date that the lender and the guaranty agency receives such notice.

''(4) Nothing in this subsection shall permit the Secretary to take any compliance, disallowance, penalty, or other regulatory action against any institution of higher education with respect to any error in a social security number, unless such error was a result of fraud on the part of the institution or any action against any student with respect to any error in a social security number, unless such error was a result of fraud on the part of the student.

''(m) DATA BASE MATCHING.—To enforce the Selective Service registration provisions of section 1113 of Public Law 97–252, the Secretary shall conduct data base matches with the Selective Service, using common demographic data elements. Appropriate confirmation, through an application output document or through other means, of any person's registration shall fulfill the requirement to file a separate statement of compliance. Further, in the absence of a confirmation from such data matches, an institution may also use data or documents that support either the student's registration or the absence of a registration requirement for the student, to fulfill the requirement to file a separate statement of compliance. The mechanism for reporting the resolution of nonconfirmed matches shall be prescribed in regulations by the Secretary.

''(n) STUDY ABROAD.—Nothing in this Act shall be construed to limit or otherwise prohibit access to approved study abroad programs. Students who are otherwise eligible who are engaged in a program of study abroad approved for academic credit by the student's home institution are eligible for assistance under this title. It is not necessary for such a study abroad program to be required as part of the student's degree program to qualify for such assistance.

''(o) COURSES OFFERED THROUGH TELECOMMUNICATIONS DEVICES.—(1) Students enrolled in courses of instruction at eligible institutions of higher education that are offered in whole or in part through telecommunications devices or mediums shall not be considered to be enrolled in correspondence courses.

''(2) Students shall not have their eligibility to participate in programs under this title restricted or reduced if such restriction or reduction is based solely on their enrollment in courses described in paragraph (1) of this subsection.

''(3) For the purposes of this subsection, the term 'telecommunications devices or mediums' means the use of television, audio, or computer transmission, including (but not limited to) open broadcast, closed circuit, cable, microwave, or satellite, audio conferencing, or computer conferencing.

''(p) SUSPENSION OF ELIGIBILITY FOR DRUG-RELATED OFFENSES.—

''(1) IN GENERAL.—An individual who, after qualifying under this section as an eligible student, has been convicted under any Federal or State law of the possession or sale of a controlled substance shall not be eligible to receive any grant, loan, or work assistance under this title during the period beginning on the date of such conviction and ending after the interval specified in the following table:

''If convicted of:	
The possession of a controlled substance:	Ineligibility period is:
1st conviction	1 year
2nd conviction	2 years
3rd conviction	indefinite
The sale of a controlled substance:	
1st conviction	2 years
2nd conviction	indefinite

''(2) REHABILITATION.—A student whose eligibility has been suspended under paragraph (1) shall resume eligibility before the end of the period determined under such paragraph if the student satisfactorily completes a drug rehabilitation program that complies with such criteria as the Secretary shall prescribe for purposes of this paragraph.

''(3) FIRST CONVICTIONS.—A student whose eligibility has been suspended under paragraph (1) and is convicted of his or her first offense may resume eligibility before the end

of the period determined under such paragraph if—

''(A) the student demonstrates that he or she has enrolled or been accepted for enrollment in a drug rehabilitation program that complies with such criteria as the Secretary shall prescribe for purposes of this subsection; and

''(B) the student agrees that, if the student fails to complete such program within the earlier of (i) 2 years after the date the student enrolls in such program, or (ii) 3 years after the date the student is accepted for enrollment in such program, the student will reimburse the Federal Government for the amount of grant or work assistance received pursuant to this paragraph and for twice the amount of any loan received pursuant to this paragraph, unless such failure is excused by the Secretary for good cause.

''(4) DEFINITIONS.—As used in this subsection, the term 'controlled substance' has the meaning given in section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)).

''(5) EFFECTIVE DATE.—This subsection shall be effective upon publication by the Secretary in the Federal Register of criteria prescribed under paragraph (2) of this subsection.''.

(2) CLERICAL AMENDMENT.—Section 801(a) of the National Literacy Act of 1991 is amended by striking ''the Act'' and inserting ''the Higher Education Act of 1965''.

SEC. 485. STATUTE OF LIMITATIONS.

Section 484A of the Act is amended—

(1) in subsection (b)(2)—

(A) by striking ''part B of''; and

(B) by inserting ''an institution,'' before ''a guaranty agency''; and

(2) by adding at the end the following new subsection:

''(c) OTHER CLAIMS AND DEFENSES.—With respect to any loan made under part B of this title, a lender, except such loans where the lender is an eligible institution or the institution has an origination relationship with the lender, a holder, a guaranty agency or the Secretary shall not be subject to any claim or defense asserted by the borrower which is attributable to an act or failure to act by an educational institution attended by the borrower.''.

SEC. 486. INFORMATION.

(a) REFUND POLICIES AND REQUIREMENTS.—Part G of title IV of the Act is further amended by inserting after section 484A the following new section:

''INSTITUTIONAL REFUNDS

''SEC. 484B. (a) REFUND POLICY REQUIRED.—Each institution of higher education participating in a program under this title shall have in effect a fair and equitable refund policy under which the institution refunds unearned tuition, fees, room and board, and other charges to a student who received grant, loan, or work assistance under this title, or whose parent received a loan made under section 428B on behalf of the student, if the student—

''(1) does not register for the period of attendance for which the assistance was intended; or

''(2) withdraws or otherwise fails to complete the period of enrollment for which the assistance was provided.

''(b) DISCLOSURE OF POLICY.—The institution shall provide a written statement containing its refund policy, together with examples of the application of this policy, to a prospective student prior to the student's enrollment and make its refund policy known to currently enrolled students. The institution shall include in its statement the procedures that a student must follow to obtain a refund, but whether or not the student follows those procedures, the institution shall, in accordance with subsection (e), pay to the lender the portion of a refund allocable to the student's loans made, insured, or guaranteed under section 427, 428, 428A, or 428B, and return the portion of the refund allocable to another program under title IV of the Act to the appropriate account for that program as stated in section 485(a)(1)(F). If the institution changes its refund policy, it shall ensure that all students are made aware of the new policy.

''(c) DETERMINATIONS.—The institution's refund policy shall be considered to be fair and equitable for purposes of this section if that policy provides for a refund in an amount of at least the largest of the amounts provided under—

''(1) the requirements of applicable State law;

''(2) the specific refund requirements established by the institution's nationally recognized accrediting agency and approved by the Secretary;

''(3) if no such standards exist, the specific refund policy standards set by another association of institutions of postsecondary education and approved by the Secretary; or

''(4) the pro rata refund calculation described in subsection (d), except that this paragraph will not apply to the institution's refund policy for any student whose date of withdrawal from the institution is after the 75 percent point (in time) in the period of enrollment for which the student has been charged.

''(d) DEFINITIONS.—(1) As used in this section, the term 'pro rata refund' means a refund by the institution of not less than that portion of the tuition, fees, room and board, and other charges assessed the student by the institution equal to the portion of the period of enrollment for which the student has been charged that remains on the last recorded day of attendance by the student, rounded downward to the nearest 10 percent of that period, less any unpaid charges owned by the student for the period of enrollment for which the student has been charged, and less a reasonable administrative fee not to exceed the lesser of 5 percent of the tuition, fees, room and board, and other charges assessed the student, or $100.

''(2) For purposes of paragraph (1), 'the portion of the period of enrollment for which the student has been charged that remains', shall be determined—

''(A) in the case of a program that is measured in credit hours, by dividing the total number of weeks comprising the period of enrollment for which the student has been charged into the number of weeks remaining in that period as of the last recorded day of attendance by the student;

''(B) in the case of a program that is measured in clock hours, by dividing the total number of clock hours comprising the period of enrollment for which the student has been charged into the number of clock hours remaining to be completed by the student in that period as of the last recorded day of attendance by the student; and

''(C) in the case of a correspondence program, by dividing the total number of lessons comprising the period of enrollment for which the student has been charged into the total number of such lessons not submitted by the student.''.

(b) INFORMATION DISSEMINATION ACTIVITIES.—Section 485(a)(1) of the Act (20 U.S.C. 1092(a)(1)) is amended—

(1) in subparagraph (F)—

(A) by inserting '', as determined under section 484B,'' after ''of the institution'';

(B) by inserting before the semicolon at the end the following: '', which refunds shall be credited first to outstanding balances on loans under part B of this title, second to loans under parts D and E of this title, and third to other student assistance provided under this title''.

(2) by striking ''and'' at the end of subparagraph (K);

(3) by striking the period at the end of subparagraph (L) (as added by section 1 of Public Law 101–542) and inserting a semicolon;

(4) by redesignating subparagraph (L) (as added by section 201 of Public Law 101–610) as subparagraph (M);

(5) by striking the period at the end of subparagraph (M) (as redesignated by paragraph (4)) and inserting a semicolon and ''and''; and

(6) by adding at the end thereof the following new subparagraph:

''(N) that enrollment in a program of study abroad approved for credit by the home institution may be considered enrollment in the home institution for purposes of applying for Federal student financial assistance.''.

(c) EXIT COUNSELING.—Section 485(b) of the Act is amended to read as follows:

''(b) EXIT COUNSELING FOR BORROWERS.—(1) Each eligible institution shall, through financial aid officers or otherwise, make available counseling to borrowers (individually or in groups) of loans which are made, insured, or guaranteed under part B (other than loans made pursuant to section 428B) of this title or made under parts D or E of this title prior to the completion of the course of study for which the borrower enrolled at the institution or at the time of departure from such institution. The counseling required by this subsection shall include—

''(A) the average anticipated monthly repayments, a review of the repayment option available, together with such debt and management strategies as the institution determines are designed to facilitate the repayment of such indebtedness; and

''(B) the terms and conditions under which the student may obtain partial cancellation or defer repayment of the principal and interest pursuant to sections 428(b), 464(c)(2), and 465.

''(2)(A) Each eligible institution shall require that the borrower of a loan made under part B, part D, or part E submit to the institution, during the exit counseling required by this subsection, the borrower's expected permanent address after leaving the institution, regardless of the reason for leaving; the name and address of the borrower's expected employer after leaving the institution; and the address of the borrower's next of kin.

''(B) Exit counseling shall include a review of the institutions records relating the borrowers name, social security number, and driver's license number. In any case where incomplete or obsolete information is identified, the institution shall collect corrected or complete information.

''(C) The institution shall, within 60 days after the interview, forward the information collected in subparagraphs (A) and (B) to the lender and the guaranty agency indicated on the borrower's student aid records.''.

(d) CAMPUS SECURITY POLICY.—

(1) STATISTICS.—Section 485(f)(1)(F) of the Act is amended to read as follows:

''(F) Statistics concerning the occurrence on campus, during the most recent calendar year, and during the 2 preceding calendar years for which data are available, of the following criminal offenses reported to campus security authorities or local police agencies:

''(i) murder;

''(ii) sex offenses, forcible or nonforcible;

''(iii) robbery;

''(iv) aggravated assault;

''(v) burglary; and

''(vi) motor vehicle theft.''.

(2) POLICY DEVELOPMENT.—Section 485(f) of the Act is amended by adding at the end the following new paragraph:

''(7)(A) Each institution of higher education participating in any program under this title shall develop and distribute as part of the report described in paragraph (1) a statement of policy regarding—

''(i) such institution's campus sexual assault programs which shall be aimed at prevention of sex offenses; and

''(ii) the procedures followed once a sex offense has occurred.

''(B) The policy described in subparagraph (A) shall address the following areas:

''(i) Education programs to promote the awareness of rape, acquaintance rape, and other sex offenses, and possible sanctions to be imposed following the final determination of an on-campus disciplinary procedure.

''(ii) Procedures students should follow if a sex offense occurs, including who should be contacted, the importance of preserving evidence as may be necessary to the proof of criminal sexual assault, and to whom the alleged offense should be reported.

''(iii) Procedures for on-campus disciplinary action in cases of alleged sexual assault which shall include—

''(I) a clear statement that the accuser and the accused are entitled to the same opportunities to have others present during a campus disciplinary proceeding; and

''(II) a clear statement that both the accuser and the accused shall be informed of the outcome of any campus disciplinary proceeding brought alleging a sexual assault.

''(iv) Counseling students on their options to notify proper law enforcement authorities, both on-campus and local police, and the option to be assisted by campus authorities in notifying such authorities, if the student so chooses.

''(v) Notification of students of existing counseling, mental health or student services for victims of sexual assault, both on campus and in the community.

''(vi) Notification of students of options for and available assistance in changing academic and living situations subsequent to an alleged sexual assault incident, if so requested by the victim and if they are reasonably available.

''(C) Nothing in this paragraph shall be construed to confer a private right of action upon any person to enforce the provisions of this paragraph.''.

(4) EFFECTIVE DATE PROVISION.—The amendment made by this subsection to subparagraph (F)(ii) of section 485(f)(1) of the Act shall be effective with respect to reports made pursuant to such section on or after September 1, 1993. The statistics required by subparagraph (F) of such section shall—

(A) in the report required on September 1, 1992, include statistics concerning the occurrence on campus of offenses during the period from August 1, 1991, to July 31, 1992;

(B) in the report required on September 1, 1993, include statistics concerning the occurrence on campus of offenses during (i) the period from August 1, 1991, to December 31, 1991, and (ii) the calendar year 1992;

(C) in the report required on September 1, 1994, include statistics concerning the occurrence on campus of offenses during (i) the period from August 1, 1991, to December 31, 1991, and (ii) the calendar years 1992 and 1993; and

(D) in the report required on September 1 of 1995 and each succeeding year, include statistics concerning the occurrence on campus of offenses during the two calendar years preceding the year in which the report is made.

(e) USE OF COMMON IDENTIFIERS; INTEGRATION OF SYSTEMS.—Section 485B of the Act is amended by adding at the end the following new subsections:

''(e) COMMON IDENTIFIERS.—The Secretary shall, not later than July 1, 1993—

''(1) revise the codes used to identify institutions and students in the student loan data system authorized by this section to make such codes consistent with the codes used in each database used by the Department of Education that contains information of participation in programs under this title; and

''(2) modify the design or operation of the system authorized by this section to ensure that data relating to any institution is readily accessible and can be used in a form compatible with the integrated postsecondary education data system (IPEDS).

''(f) INTEGRATION OF DATABASES.—The Secretary shall integrate the National Student Loan Data System with the Pell Grant applicant and recipient databases as of January 1, 1994, and any other databases containing information on participation in programs under this title.''.

SEC. 487. STUDENT LOAN DATA SYSTEM.

Part G of title IV of the Act is amended by inserting after section 485B the following new section:

''STUDENT LOAN DATA SYSTEM

''SEC. 485C. (a) SYSTEM REQUIRED.—The Secretary shall established a centralized data system for use by schools, borrowers, holders, and guarantors in the confirmation of borrower status, identification of the current holder and servicer of a loan, and confirmation of internship and residency status. Such system shall, at a minimum, contain information for all loans under part B transferred from one eligible lender to another, or serviced by a third party on behalf of an eligible lender, or originated with the proceeds of tax-exempt funds.

''(b) INFORMATION IN SYSTEM.—The information contained in such data system shall be deemed reliable for all program purposes relating to the conduct of loan servicing, including but not limited to, compliance with due diligence and claim filing requirements.

''(c) DEADLINES.—The Secretary shall—

''(1) within 6 months of the date of enactment of this section, submit a plan to the Committee on Labor and Human Resources of the Senate and the Committee on Education and Labor of the House for the establishment of such a data system,

''(2) implement such a data system within 2 years of the date of enactment.

''(d) RESTRICTED ACCESS.—Notwithstanding the provisions of section 552(a) of title 5, United States Code, relating to freedom of information, access to information in the data system established and maintained pursuant to subsection (a) shall be restricted to individuals and entities specifically authorized by the Secretary to have such access.''.

SEC. 488. TRAINING IN FINANCIAL AID AND STUDENT SUPPORT SERVICES.

Section 486 of the Act is amended to read as follows:

''TRAINING IN FINANCIAL AID AND STUDENT SUPPORT SERVICES

''SEC. 486. (a) PROGRAM AUTHORITY.—The Secretary is authorized to provide grants to appropriate nonprofit private organizations or combinations of such organizations to provide training for student financial aid administrators and TRIO personnel, at all levels of experience, who provide student financial aid services or TRIO support programs.

''(b) USE OF FUNDS.—Financial assistance under this section may be used for, but is not limited to—

''(1) the operation of short-term training institutes and special training programs for student financial aid administrators or TRIO personnel designed to—

''(A) improve the professional management skills of participants in such institutes and programs;

''(B) improve the delivery of student services;

''(C) improve students' or prospective students' information on the availability and operation of student financial assistance programs;

''(D) improve the understanding and knowledge of the participants concerning the student financial assistance programs' legislative and regulatory requirements and changes in legislation and regulations; and

''(2) the development of appropriate materials.

''(c) LIMITATIONS.—Grants authorized under this section shall be—

''(1) limited to not less than $1,000,000 for single-year grants;

''(2) limited to not less than $1,000,000 per year for multiple-year grants;

''(3) limited to a maximum of 3 years for multiple-year grants; and

''(4) may be renewed at the discretion of the Secretary.

''(d) AUTHORIZATION OF APPROPRIATIONS AND USE OF FUNDS.—In addition to the sums provided pursuant to section 434, there are authorized to be appropriated $5,000,000 for fiscal year 1993 such sums as may be necessary for each of the 4 succeeding fiscal years to carry out the provisions of this section.''.

SEC. 489. PROGRAM PARTICIPATION AGREEMENTS.

(a) STATE LICENSING REQUIREMENTS DISCLOSURE.—Section 487(a)(8) of the Act is amended—

(1) by striking ''at or before the time of application,'' and inserting ''at or before the time of application (A)''; and

(2) by inserting before the period at the end the following: '', and (B) relevant State licensing requirements of the State in which such institution is located for any job for which the course of instruction is designed for such prospective students''.

(b) ADDITIONAL CONDITIONS.—Section 487(a) of the Act is amended by adding at the end the following new paragraphs:

''(13) The institution will not provide any commission, bonus, or other incentive payment based directly or indirectly on success in securing enrollments or financial aid to any persons or entities engaged in any student recruiting or admission activities or in making decisions regarding the award of student financial assistance.

''(14) The institution acknowledges the authority of the Secretary, guaranty agencies, lenders, accrediting agencies, the Secretary of Veterans Affairs, and State review agencies under section 495 to share with each other any information pertaining to the institution's eligibility to participate in programs under this title or any information on fraud and abuse.

''(15)(A) The institution will not employ an individual in a capacity that involves the administration of programs under this title, or the receipt of program funds under this title, who has been convicted of, or has pled nolo contendere or guilty to, a crime involving the acquisition, use, or expenditure of funds under this title, or has been judicially determined to have committed fraud involving funds under this title or contract with an institution or third party servicer that has been terminated under section 432 involving the acquisition, use, or expenditure of funds under this title, or who has been judicially determined to have committed fraud involving funds under this title.

''(B) The institution will not use any individual, agency, or organization that has been, or whose officers or employees have been—

''(i) convicted of, or pled nolo contendere or guilty to, a crime involving the acquisition, use, or expenditure of funds under this title; or

''(ii) judicially determined to have committed fraud involving funds under this title.

''(16)(A) The institution, in order to participate as an eligible institution under part B, will develop a Default Management Plan for approval by the Secretary as part of its initial application for certification as an eli-

gible institution and will implement such Plan for two years thereafter.

''(B) Any institution of higher education which changes ownership and any eligible institution which changes its status as a parent or subordinate institution shall, in order to participate as an eligible institution under part B, develop a Default Management Plan for approval by the Secretary and implement such Plan for two years after its change of ownership or status.

''(17) The institution will not deny any form of Federal financial aid to any student who meets the eligibility requirements of this Act on the grounds that the student is participating in a program of study abroad approved for credit by the institution.

''(18) The institution will complete surveys conducted as a part of the Integrated Postsecondary Education Data System (IPEDS) or any other Federal postsecondary institution data collection effort, as designated by the Secretary, in a timely manner and to the satisfaction of the Secretary.

''(19) The institution will collect and transmit to the Secretary information on students participating in programs under subpart 2 of part A and part C of this title consistent with data collected by the Secretary concerning Pell Grant applicants and recipients, and will report this information to the Secretary annually, in a manner specified by the Secretary, to the satisfaction of the Secretary.

''(20)(A) With respect to any institution that offers athletically related student aid, the institution will—

''(i) cause an annual compilation, independently audited not less often than every 3 years, to be prepared within 6 months after the end of its fiscal year, of—

''(I) the total revenues, and the revenues from football, men's basketball, women's basketball, all other men's sports combined, and all other women's sports combined, derived by the institution from its intercollegiate athletics activities;

''(II) the total expenses, and the expenses attributable to football, men's basketball, women's basketball, all other men's sports combined and all other women's sports combined, made by the institution for its intercollegiate athletics activities; and

''(III) the total revenues and operating expenses of the institution; and

''(ii) make the reports on such compilations and, where allowable by State law, the audits available for inspection by the Secretary and the public.

''(B) For the purpose of subparagraph (A)—

''(i) revenues from intercollegiate athletics activities allocable to a sport shall include without limitation gate receipts, broadcast revenues, appearance guarantees and options, concessions and advertising, but revenues such as student activities fees or alumni contributions not so allocable shall be included in the calculation of total revenues only; and

''(ii) expenses for intercollegiate athletics activities allocable to a sport shall include without limitation grants-in-aid, salaries, travel, equipment, and supplies, but expenses such as general and administrative overhead not so allocable shall be included in the calculation of total expenses only.

''(21) The institution will not impose any penalty, including the assessment of late fees, the denial of access to classes, libraries, or other institutional facilities, or the requirement that the student borrow additional funds, on any student because of the student's inability to meet his or her financial obligations to the institution as a result of the delayed disbursement of the proceeds of a loan made under this title due to compliance with the provisions of this title, or delays attributable to the institution.''.

(c) HEARINGS.—Section 487 of the Act is amended—

(1) in subsection (b)(2), by striking out ''on the record''; and

(2) in subsection (c)—

(A) in the matter preceding subparagraph (A) of paragraph (1), by striking ''is authorized to'' and inserting ''shall'';

(B) in paragraph (1)(D), by striking out ''on the record,'' and inserting in lieu thereof a comma;

(C) in paragraph (1)(F), by striking out ''on the record''; and

(D) in paragraph (2)—

(i) in subparagraph (A), by striking out ''on the record,'' and inserting in lieu thereof a comma; and

(ii) in subparagraph (B)(i), by striking out ''on the record,'' and inserting in lieu thereof a comma.

(d) AUDITS; AVAILABILITY OF AUDIT INFORMATION.—Section 487(c)(1)(A)(i) of the Act is amended—

(1) by striking ''a financial and compliance audit of an eligible institution,'' and inserting ''a financial audit of an eligible institution with regard to the financial condition of the institution in its entirety, and a compliance audit of such institution'';

(2) by striking ''at least once every 2 years'' and inserting ''on at least an annual basis''; and

(3) by inserting ''and shall be available to cognizant guaranty agencies, eligible lenders, State agencies (including State review agencies), and the agencies referred to in section 495'' after ''submitted to the Secretary''.

(e) INFORMATION.—Section 487(c) of the Act is amended—

(1) in paragraph (1), by redesignating subparagraphs (C) through (G) as subparagraphs (E) through (I), respectively;

(2) by inserting after subparagraph (B) of such paragraph the following new subparagraphs:

''(C)(i) except as provided in clause (ii), a compliance audit of a third party servicer, with regard to any contract with an eligible institution, guaranty agency, or lender for administering or servicing any aspect of the student assistance programs under this title, at least once every year and covering the period since the most recent audit, conducted by a qualified, independent organization or person in accordance with standards established by the Comptroller General for the audit of governmental organizations, programs, and functions, and as prescribed in regulations of the Secretary, the results of which shall be submitted to the Secretary; or

''(ii) with regard to third party servicer, which is audited under chapter 75 of title 31, United States Code, deeming such audit to satisfy the requirements of clause (i) for the period covered by such audit;

''(D)(i) a compliance audit of a secondary market with regard to its transactions involving, and its servicing and collection of, loans made under this title, at least once a year and covering the period since the most recent audit, conducted by a qualified, independent organization or person in accordance with standards established by the Comptroller General for the audit of governmental organizations, programs, and functions, and as prescribed in regulations of the Secretary, the results of which shall be submitted to the Secretary; or

''(ii) with regard to a secondary market that is audited under chapter 75 of title 31, United States Code, such audit shall be deemed to satisfy the requirements of clause (i) for the period covered by the audit;'';

(3) in subparagraph (H) (as redesignated) of such paragraph, by striking out ''an individual or an organization'' and inserting in lieu thereof ''a third party servicer'';

(4) in subparagraph (I) (as redesignated) of such paragraph, by striking out ''an individual or an organization'' and inserting in lieu thereof ''a third party servicer'';

(5) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively;

(6) by inserting immediately after paragraph (1) the following new paragraph:

''(2) If an individual who, or entity that, exercises substantial control, as determined by the Secretary in accordance with section 490A(b), over one or more institutions participating in any program under this title, or, for purposes of paragraphs (1) (H) and (I), over one or more organizations that contract with an institution to administer any aspect of the institution's student assistance program under this title, is determined to have committed one or more violations of the requirements of any program under this title, or has been suspended or debarred in accordance with the regulations of the Secretary, the Secretary may use such determination, suspension, or debarment as the basis for imposing an emergency action on, or limiting, suspending, or terminating, in a single proceeding, the participation of any or all institutions under the substantial control of that individual or entity.''; and

(7) by adding at the end the following new paragraph:

''(5) The Secretary is authorized to provide any information collected as a result of audits conducted under this section, together with audit information collected by guaranty agencies, to any Federal or State agency having responsibilities with respect to student financial assistance, including those referred to in subsection (a)(14) of this section.''.

(f) FINANCIAL RESPONSIBILITY STANDARDS.—Section 487(c) of the Act is further amended by adding at the end the following new paragraph:

''(6)(A) For the purpose of paragraph (1)(B) of this subsection, the Secretary shall consider an institution to be financially responsible if it is able to—

''(i) provide the services described in its official publications and statements;

''(ii) provide the administrative resources necessary to comply with the requirements of this title; and

''(iii) meet all of its financial obligations, including (but not limited to) refunds of institutional charges and repayments to the Secretary for liabilities and debts incurred in programs administered by the Secretary.

''(B) Notwithstanding subparagraph (A), an institution shall provide the Secretary with satisfactory evidence of its financial responsibility if, under the bases of accounting prescribed by regulation by the Secretary, the institution—

''(i) has had operating losses over its 2 most recent fiscal years;

''(ii) had, for its most recent fiscal year, a deficit net worth (the institution's liabilities exceed its assets);

''(iii) had, at the end of its most recent fiscal year, a ratio of current assets to current liabilities of less than one-to-one; or

''(iv) had its unrestricted current fund or operating fund reflect sustained material deficits over its 2 most recent fiscal years.

''(C) The Secretary may determine an institution to be financially responsible, notwithstanding the institution's failure to meet the criteria under subparagraphs (A) and (B), if—

''(i) such institution submits to the Secretary third-party financial guarantees, such as performance bonds or letters of credit payable to the Secretary, which third-party financial guarantees shall equal not less than one-half of the annual potential liabilities of such institution to the Secretary for funds under this title and to students for refunds of institutional charges, including

funds under this title, including loan obligations discharged to students pursuant to section 437;

''(ii) such institution has its liabilities backed by the full faith and credit of a State, or its equivalent;

''(iii) such institution establishes to the satisfaction of the Secretary, with the support of a report of an independent certified public accountant prepared under generally accepted accounting principles, that the institution is a going concern capable of meeting all of its financial obligations, including (but not limited to) refunds of institutional charges and repayments to the Secretary for liabilities and debts incurred in programs administered by the Secretary; or

''(iv) such institution has met standards of financial responsibility, prescribed by the Secretary by regulation, that indicate a level of financial strength not less than those required in subparagraph (B).

''(D) The determination as to whether an institution has met the standards of financial responsibility provided for in subparagraphs (B) and (C)(iii) shall be based on an annual audited and certified financial statement of the institution, conducted by a qualified independent organization or person in accordance with standards established by the American Institute of Certified Public Accountants, that is submitted to the Secretary.''.

(g) AUDIT REFUNDS.—Section 487(c) of the Act is further amended by adding at the end the following new paragraph:

''(7) Effective with respect to any audit conducted under this subsection after December 31, 1988, if, in the course of conducting any such audit, the personnel of the Department of Education discover, or are informed of, grants or other assistance provided by an institution in accordance with this title for which the institution has not received funds appropriated under this title (in the amount necessary to provide such assistance), including funds for which reimbursement was not requested prior to such discovery or information, such institution shall be permitted to offset that amount against any sums determined to be owed by the institution pursuant to such audit, or to receive reimbursement for that amount (if the institution does not owe any such sums).''

(h) CONFORMING AMENDMENTS.—Section 487 of the Act is amended—

(1) by striking ''subpart 3'' in subsection (a) and inserting ''subpart 4''; and

(2) by striking ''435(a)'' in subsection (d) and inserting ''481''.

SEC. 490. QUALITY ASSURANCE; IDENTIFICATION NUMBERS.

Part G of title IV of the Act is amended by inserting after section 487 the following new sections:

''QUALITY ASSURANCE PROGRAM

''SEC. 487A. (a) IN GENERAL.—The Secretary is authorized to select institutions for voluntary participation in a Quality Assurance Program that provides participating institutions with an alternative management approach through which individual schools develop and implement their own comprehensive systems to verify student financial aid application data thereby enhancing program integrity within the student aid delivery system. The Quality Assurance Program authorized by this section shall be based on criteria that include demonstrated institutional performance, as determined by the Secretary, and shall take into consideration current quality assurance goals, as determined by the Secretary.

''(b) EXEMPTION FROM REQUIREMENTS.—The Secretary is authorized to exempt any institution participating in the Quality Assurance Program from any reporting or verification requirements in this title, and may substitute such quality assurance reporting as the Secretary deems necessary to ensure accountability and compliance with the purposes of the programs under this title.

''(c) REMOVAL FROM THE PROGRAM.—The Secretary is authorized to determine—

''(1) when an institution that is unable to administer the Quality Assurance Program must be removed from the program, and

''(2) when institutions desiring to cease participation in the program will be required to complete the current award year under program requirements.

''(d) EXPERIMENTAL SITES.—(1) The Secretary is authorized to select institutions for voluntary participation as experimental sites to provide recommendations to the Secretary on the impact and effectiveness of proposed regulations or new management initiatives.

''(2) The Secretary is authorized to exempt any institution participating as an experimental site from any requirements in this title or in regulations that would bias experimental results.

''(e) DEFINITIONS.—For purposes of this section, 'current award year' is defined as the award year during which the participating institution indicates its intention to cease participation.

''ASSIGNMENT OF IDENTIFICATION NUMBERS

''SEC. 487B. The Secretary shall assign to each participant (including institutions, lenders, and guaranty agencies) in title IV programs, a single Department of Education identification number to be used to identify its participation in each of the title IV programs.''.

SEC. 491. INTER-PROGRAM TRANSFERS.

Section 488 of the Act is amended—

(1) by striking ''10 percent'' and inserting ''25 percent'';

(2) by striking ''section 413D or 442'' and inserting ''section 442 or 462''; and

(3) by inserting 2 new sentences after the first sentence, as follows: ''Up to 25 percent of the allotment of an eligible institution for a fiscal year under section 442 of this Act, may be transferred to, and used for the purposes of, the institution's allotment under section 413D within the discretion of such institution in order to offer a package of types of aid, including institutional and State aid, that best fits the needs of each individual student. Nothing in this section authorizes an institution to use funds allocated under section 413D for any program or purpose other than the purposes of section 413A.''.

SEC. 492. ADMINISTRATIVE EXPENSES.

(a) AMOUNT OF PAYMENT.—Section 489(a) of the Act is amended by striking the fourth sentence (relating to payments with respect to section 447).

(b) PURPOSE OF PAYMENT.—Section 489(b) of the Act is amended—

(1) by inserting ''(1)'' before ''The sums''; and

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

''(2) If the institution enrolls a significant number of students who are (A) attending the institution less than full time, (B) age 24 or older, (C) single parents, or (D) independent students, the institution shall use a reasonable proportion of the funds available under this section for financial aid services during times and in places that will most effectively accommodate the needs of such students.''.

(c) CONFORMING AMENDMENT.—Section 489(a) is further amended—

(1) by striking ''subpart 2'' each place it appears and inserting ''subpart 3''; and

(2) by striking ''subpart 1'' each place it appears and inserting ''subpart 2''.

SEC. 493. CRIMINAL PENALTIES; EXTENT OF LIABILITY.

(a) CRIMINAL PENALTIES.—Section 490 of the Act is amended to read as follows:

''CRIMINAL PENALTIES

''SEC. 490. (a) IN GENERAL.—Any person who knowingly and willfully embezzles, misapplies, steals, or obtains by fraud, false statement, or forgery any funds, assets, or property provided or insured under this title, or attempts to so embezzle, misapply, steal, or obtain such funds, assets, or property, shall be fined not more than $20,000 or imprisoned for not more than 5 years, or both; but if the amount so embezzled, misapplied, stolen, or obtained by fraud, false statement, or forgery does not exceed $200, the fine shall not be more than $5,000 and imprisonment shall not exceed one year, or both.

''(b) ASSIGNMENT OF LOANS.—Any person who knowingly and willfully makes any false statement, furnishes any false information, or conceals any material information in connection with the assignment of a loan which is made or insured under this title, or attempts to so make any false statement, furnish any false information, or conceal any material information in connection with such assignment shall, upon conviction thereof, be fined not more than $10,000 or imprisoned not more than one year, or both.

''(c) INDUCEMENTS TO LEND OR ASSIGN.—Any person who knowingly and willfully makes an unlawful payment to an eligible lender under part B, or attempts to make such unlawful payment, as an inducement to make, or to acquire by assignment, a loan insured under that part shall, upon conviction thereof, be fined not more than $10,000 or imprisoned not more than one year, or both.

''(d) OBSTRUCTION OF JUSTICE.—Any person who knowingly and willfully destroys or conceals any record relating to the provision of assistance under this title or attempts to so destroy or conceal, with intent to defraud the United States or to prevent the United States from enforcing any right obtained by subrogation under this part, shall upon conviction thereof, be fined not more than $20,000 or imprisoned not more than 5 years, or both.''.

(b) EXTENT OF LIABILITY.—Part G of title IV of the Act is further amended by inserting immediately after section 490 the following new section:

''EXTENT OF LIABILITY

''SEC. 490A. (a) FINANCIAL GUARANTEES; ACCURACY OF DATA.—Notwithstanding any other provision of law, the Secretary is authorized, to the extent he determines necessary, to require—

''(1) financial guarantees from an institution participating, or seeking to participate, in a program under this title, or from 1 or more individuals who the Secretary determines, in accordance with subsection (b), exercise substantial control over such institution, or both, in an amount determined by the Secretary to be sufficient to satisfy the institution's potential liability to the Federal Government, student assistance recipient, and other program participants for funds under this title; and

''(2) the assumption of personal liability, by 1 or more individuals who exercise substantial control over such institution, as determined by the Secretary in accordance with subsection (b), for financial losses to the Federal Government, student assistance recipients, and other program participants for funds under this title, and civil and criminal monetary penalties authorized under this title.

''(b) SUBSTANTIAL CONTROL.—(1) The Secretary may determine that an individual exercises substantial control over 1 or more institutions participating in a program under this title if the Secretary determines that—

''(A) the individual directly or indirectly controls a substantial ownership interest in the institution;

''(B) the individual, either alone or together with other individuals, represents, under a voting trust, power of attorney, proxy, or similar agreement, 1 or more persons who have, individually or in combination with the other persons represented or the individual representing them, a substantial ownership interest in the institution; or

''(C) the individual is a member of the board of directors, the chief executive officer, or other executive officer of the institution or of an entity that holds a substantial ownership interest in the institution.

''(2) The Secretary may determine that an entity exercises substantial control over 1 or more institutions participating in a program under this title if the Secretary determines that the entity directly or indirectly holds a substantial ownership interest in the institution.

''(3) For purposes of this subsection, an ownership interest is defined as a share of the legal or beneficial ownership or control of, or a right to share in the proceeds of the operation of, an institution or institution's parent corporation. An ownership interest may include, but is not limited to—

''(A) a sole proprietorship;

''(B) an interest as a tenant-in-common, joint tenant, or tenant by the entireties;

''(C) a partnership; or

''(D) an interest in a trust.

''(4) For purposes of section 487(c)(1)(G), this section shall also apply to individuals or organizations that contract with an institution to administer any aspect of an institution's student assistance program under this title.''.

SEC. 494. ADVISORY COMMITTEE ON STUDENT FINANCIAL ASSISTANCE.

(a) INDEPENDENT CONTROL.—Section 491(b) of the Act is amended by inserting after the first sentence the following: ''Notwithstanding Department of Education policies and regulations, the Advisory Committee shall exert independent control of its budget allocations and expenditures, personnel decisions and processes, procurements, and other administrative and management functions. The Advisory Committee's administration and management shall be subject to the usual and customary Federal audit procedures.''.

(b) MEMBERSHIP.—Section 491(c)(1) of the Act is amended—

(1) in subparagraph (A), by inserting '', at least one of whom shall be a campus financial aid administrator,'' after ''3 members'';

(2) in subparagraph (B), by inserting '', at least one of whom shall be a campus financial aid administrator,'' after ''3 members''; and

(3) in subparagraph (C), by inserting '', at least one of whom shall be a campus financial aid administrator,'' after ''5 members''.

(c) FUNCTIONS.—Section 491(d) of the Act is amended—

(1) by striking ''and in assessing the impact of legislative and administrative policy proposals'' in paragraph (3);

(2) by redesignating paragraphs (4), (5), (6), and (7) as paragraphs (5), (6), (7), and (8), respectively; and

(3) by inserting after paragraph (3) the following new paragraph:

''(4) assess the impact of legislative and administrative policy proposals;''.

(d) AVAILABILITY OF FUNDS.—Section 491(i) of the Act is amended by striking ''$500,000'' and inserting ''$750,000''.

(e) REAUTHORIZATION.—Section 491 of the Act is amended by striking subsection (j) and inserting in lieu thereof:

''(j) TERM OF THE COMMITTEE.—Notwithstanding the sunset and charter provisions of the Federal Advisory Committee Act (5 U.S.C. App. I) or any other statute or regulation, the Advisory Committee shall be reauthorized and its charter shall be renewed for a period of 5 years, or until such time as the Higher Education Act of 1965 is reauthorized or rescinded.''.

(f) STUDENT LOAN PROGRAM SIMPLIFICATION.—Section 491 of the Act is amended by inserting after subsection (j) the following new subsection:

''(k) GUARANTEED STUDENT LOAN PROGRAM SIMPLIFICATION STUDY.—(1) The Advisory Committee shall conduct a thorough study of means of simplifying all aspects of the Federal Family Education Loan Program. In carrying out the study, the Advisory Committee shall examine, at a minimum—

''(A) reduction of paperwork burdens experienced by financial aid administrators resulting from the current structure of the Federal Family Education Loan Program;

''(B) promotion of simplification and standardization of forms, procedures, and all other aspects of guaranty agency operations for the purpose of facilitating data exchanges with such agencies (including the National Student Loan Database) and facilitating Department of Education oversight;

''(C) simplification of the bank repayment process to minimize borrower confusion, including encouragement of single holder ownership of all of an individual's loans;

''(D) encouragement of efficient utilization of loan programs to minimize multiple program borrowing in postsecondary education; and

''(E) other proposals which are designed to reduce the administrative burdens and paperwork required by students, educational institutions, guaranty agencies, lenders, secondary markets, and the Secretary submitted in response to a general solicitation by the Advisory Committee.

''(2) The Advisory Committee shall consult with the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate in carrying out the study required by this subsection.

''(3) The Advisory Committee shall, not later than 1 year after the date of enactment of this Act, prepare and submit to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate a report on the study required by this subsection.''.

SEC. 495. PERFORMANCE BASED REGULATORY RELIEF.

Part G of title IV of the Act is amended by adding at the end the following new section:

''PERFORMANCE BASED REGULATORY RELIEF

''SEC. 493. (a) For institutions of higher education that satisfy the criteria in subsection (b), the Secretary shall—

''(1) suspend the requirement of section 428G(b)(1);

''(2) consider the institution as having complied with the regulations establishing the requirements for processing the borrower's loan proceeds, counseling borrowers, making and disbursing loans, and contact with the borrower, and any related or successor regulations prescribed by the Secretary;

''(3) require that the minimum sample size, for the purposes of regulations prescribed by the Secretary establishing requirements for audits, and any related or successor regulations and audits required by section 487(c), shall be determined on the basis of the opinion rendered by the auditing entity, without regard to any minimum sample sizes established for the purpose of such audits by the Secretary; and

''(4) notwithstanding section 484(f) of the Act, not require the institution to verify the accuracy of the data used to determine the eligibility for any program under this title for more than 20 percent of the applicants in any award year.

''(b) PERFORMANCE CRITERIA.—In order to be eligible for the provisions in subsection (a), the institution shall—

''(1) have participated in programs under this title for 5 consecutive years;

''(2)(A) have not been required to refund moneys to the Secretary because of audits performed under section 487(c), in the two most recent audits; or

''(B) if required to refund moneys to the Secretary because of audits performed under section 487(c), the refunds may be no more than 2 percent of the amount that the institution received under this title for that year;

''(3) currently not be, and within the last 7 years not have been, subject to any emergency action, any limitation, suspension, or termination imposed by the Secretary or by any guaranty agency;

''(4) have used 97 percent of the funds received under subpart 3 of part A, part C, and part E in the 3 most recent fiscal years;

''(5) for loans under part E, have a cohort default rate, as defined in section 462(h), of not greater than 10 percent for loans made under part E, for the most recent fiscal year;

''(6) have a cohort default rate, as defined in section 435(m), of not greater than 10 percent for the most recent fiscal year; and

''(7) have submitted the application to determine an institution's allocation or reallocation of funds under subpart 3 of part A and parts C and E of this title (34 CFR 674.3, 34 CFR 675.3 and 34 CFR 676.3 and any related or successor regulations), the fiscal operation report required of institutions participating in the programs established by subpart 3 of part A and parts C and E of this title (34 CFR 674.19(d)(3), 34 CFR 675.19(b)(3), 34 CFR 676.19(b)(5) and any related or successor regulations), and audits (34 CFR 668.23 (c) and (d)) and any related or successor regulations on or before the date on which they were due, unless the Secretary waives this requirement due to unusual circumstances.''.

SEC. 496. REGIONAL MEETINGS AND NEGOTIATED RULEMAKING.

Part G of title IV of the Act is amended by inserting after section 493 (as added by section 495 of this Act) the following new section:

''REGIONAL MEETINGS AND NEGOTIATED RULEMAKING

''SEC. 493A. (a) IN GENERAL.—(1) The Secretary shall convene regional meetings to obtain public involvement in the development of proposed regulations under this part. Such meetings shall include individuals and representatives of groups involved in student financial assistance programs, such as students, institutions of higher education, guaranty agencies, lenders, secondary markets, third party servicers, guaranty agency servicers, and collection agencies.

''(2) During each meeting described in paragraph (1), the Secretary shall provide for a comprehensive discussion and exchange of information on a limited number of key issues selected by the Secretary concerning implementation of this title. The Secretary shall take into account information received at such meetings in the development of proposed regulations and shall publish a summary of such information in the Federal Register together with such proposed regulations.

''(b) DRAFT REGULATIONS.—After holding regional meetings and before publishing proposed regulations in the Federal Register, the Secretary shall prepare draft regulations implementing changes to this part pursuant to this Act and submit regulations on a limited number of key issues to a negotiated rulemaking process. The Secretary shall follow the guidance provided in the Administra-

tive Conference of the United States in Recommendation 82–4 and 85–5, 'Procedures for Negotiating Proposed Regulations' (1 CFR 305–82–4 and 85–5) and any successor recommendation, regulation, or law. Participants in the negotiation process shall be chosen by the Secretary from individuals nominated by groups participating in the regional meetings, representing the groups described in subsection (a)(1) and shall include both Washington representatives of such groups as well as industry participants. To the extent possible, the Secretary shall select individuals reflecting the diversity in the industry, representing both large and small participants, as well as those serving local areas and national markets. The negotiation process shall be conducted in a timely manner in order that the final regulations may be issued by the Secretary within the 240-day period required by section 431(g) of the General Education Provisions Act.

''(c) APPLICABILITY OF FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act shall not apply to activities carried out under this section.''.

PART H—PROGRAM INTEGRITY

SEC. 497. ESTABLISHMENT OF NEW PART H.

Title IV of the Act is amended by adding at the end the following new part:

''PART H—PROGRAM INTEGRITY

''SEC. 494. STATE POSTSECONDARY REVIEW AGENCY PROGRAM.

''(a) PURPOSE.—It is the purpose of this section to authorize the Secretary to enter into agreements that—

''(1) designate one State postsecondary review agency in each State to be responsible for the conduct or coordination of the review of institutions of higher education for the purposes of determining eligibility under this title; and

''(2) provide Federal funds to each State postsecondary review agency for performing the functions required by such agreements with the Secretary.

''(b) PROGRAM AUTHORITY.—The Secretary shall, in accordance with the provisions of this part, enter into agreements with each of the States, to carry out the purposes of this part. If any State declines to enter into an agreement with the Secretary for the purposes of this part, the provisions of this part which refer to the State, with respect to such State, shall refer to the Secretary, who may make appropriate arrangements with agencies or organizations of demonstrated competence in reviewing institutions of higher education.

''(c) FAILURE TO COMPLY WITH AGREEMENT.—If a State fails to enter into an agreement under this section or fails to meet the requirements of its agreement with the Secretary under this part—

''(1) the Secretary—

''(A) may not certify for participation in any program under this title any new institution (including branch campuses) or any institution that has changed ownership, pursuant to section 481; and

''(B) may grant only provisional certification for all institutions in the State pursuant to section 481; and

''(2) the State will be ineligible to receive funds under section 496 of this part, subpart 4 of part A of this title, and chapter 2 of subpart 1 of part A of this title.

''SEC. 495. STATE POSTSECONDARY REVIEW AGENCY AGREEMENTS.

''(a) STATE ORGANIZATION STRUCTURES.—(1) Each agreement shall describe a State organizational structure responsible for carrying out the review of institutions under this title. Each such agency's or instrumentality's action in reviewing and approving such institutions shall, for purposes of this part, be considered to be the action of the State.

''(2) For the purposes of this part, the designation of a State postsecondary review agency for the purpose of entering into an agreement with the Secretary shall be in accordance with the State law of each individual State with respect to the authority to make legal agreements between the State and the Federal Government.

''(3) Except as provided in paragraph (5), nothing in this part shall be construed to authorize the Secretary to require any State to adopt, as a condition for entering into an agreement, a specific State organizational structure.

''(4) Except as provided in paragraph (5), nothing in this part shall be construed—

''(A) as a limitation on the authority of any State to adopt a State organization structure for postsecondary education agencies, or programs, or institutions of higher education as appropriate to the needs, traditions, and circumstances of that State;

''(B) as a limitation on the authority of a State entering into an agreement pursuant to this part to modify the State organizational structure at any time subsequent to entering into such agreement;

''(C) as a limitation on the authority of any State to enter into an agreement as a member of a consortium of States;

''(D) as an authorization for the Secretary to withhold funds from any State or postsecondary institution on the basis of compliance with a State's constitution or laws;

''(E) as an authorization for any State postsecondary review agency to exercise planning, policy, coordinating, supervisory, budgeting, or administrative powers over any postsecondary institution; or

''(F) as a limitation on the use of State audits for the purpose of compliance with applicable standards under section 497(d).

''(5) Notwithstanding the provisions of paragraphs (2), (3), and (4) of this subsection, the Secretary may require each State to designate an agency or instrumentality responsible for the conduct or coordination of the review of institutions under this title.

''(b) CONTENTS OF AGREEMENTS.—Agreements between each State and the Secretary shall contain the following elements:

''(1) A designation of a single State postsecondary review agency, which represents all entities of that State which are responsible for—

''(A) granting State authorization to each institution of higher education in that State for the purposes of this title, and

''(B) ensuring that each institution of higher education in that State remains in compliance with the standards developed pursuant to section 497.

''(2) Assurances that the State will review institutions of higher education for the purpose of determining eligibility under this title on a schedule to coincide with the dates set by the Secretary to certify or recertify such institutions of higher education as provided in section 481.

''(3) Assurances that the appropriate State postsecondary review agency will administer the program authorized by this part and will keep such records and provide such information to the Secretary as may be requested for fiscal audit and program evaluation, consistent with the responsibilities of the Secretary.

''(4) A description of the relationship between the State postsecondary review agency designated for the purposes of this part and (A) the agency or agencies designated for the purposes of chapter 36 of title 38 of the United States Code, (B) the State loan insurance program established under section 428(b) of this title, and (C) the State grant agency established under section 415C of this title.

''(5) A plan for performing the functions described in section 497 of this part.

''(c) FEDERAL RESPONSIBILITY.—Notwithstanding any other provision of law, no State shall be required to fulfill the obligations of an agreement with the Secretary under this part unless the Secretary reimburses that State for the Federal costs, specified in section 496 of this part, for performing the review functions required by such agreement and the Secretary shall not enter into agreements under this part unless the Congress appropriates the funds to pay those Federal costs.

''SEC. 496. FEDERAL REIMBURSEMENT OF STATE POSTSECONDARY REVIEW AGENCY COSTS.

''(a) PAYMENTS.—Subject to subsection (b), the Secretary shall reimburse the States for the costs of performing the functions required by agreements with the Secretary authorized under this part. Such costs shall include expenses for providing initial and continuing training to its own personnel and other personnel in its State, including, but not limited to, personnel at institutions of higher education subject to approval, to serve the purposes of this part. Reimbursement shall be provided for necessary activities which supplement, but do not supplant, existing licensing or review functions conducted by the State. The Secretary shall also reimburse such agencies for work performed by their subcontractors and consultants where such work has a direct relationship to the requirements of agreements with the Secretary.

''(b) LIMITATION ON PAYMENTS.—Notwithstanding subsection (a), no State shall receive for any fiscal year an amount that exceeds an amount that bears the same ratio to the amount appropriated under subsection (c) for such fiscal year as the total amount received under this title by students attending institutions of higher education in that State for such fiscal year bears to the total amount received under this title by all students for such fiscal year, based on the most recent year for which such data are available.

''(c) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of enabling the Secretary to make payments to States which have made agreements with the Secretary under this part, there is authorized to be appropriated for fiscal year 1993 and succeeding fiscal years an amount not to exceed one percent of the amount appropriated for such fiscal year for student financial assistance programs under this title.

''SEC. 497. FUNCTIONS OF STATE REVIEW AGENCIES.

''(a) INITIAL REVIEW.—The Secretary shall review all institutions of higher education in a State which are eligible or which desire to become eligible under this title according to the criteria provided in subsection (b). The Secretary shall report to the State those institutions of higher education which meet one or more of the criteria provided in subsection (b) and these institutions shall be reviewed by the State pursuant to the standards provided in subsection (d). The Secretary shall supply the State with a copy of the institutional audits required pursuant to section 487(c) for the institutions which shall be reviewed by the State. In addition to those institutions identified by the Secretary, the State may review additional institutions which meet one or more of the criteria provided in subsection (b), based on more recent data available to the State, subject to disapproval by the Secretary.

''(b) REVIEW CRITERIA.—The criteria for the initial review of institutions of higher education are as follows:

''(1) a cohort default rate as defined in section 435(m) equal to or greater than 25 percent;

''(2) a cohort default rate as defined in section 435(m) equal to or greater than 20 percent and either—

''(A) more than two-thirds of its total undergraduates enrolled on a half-time or more basis receive assistance under this title (except subparts 4 and 6 of part A), or

''(B) two-thirds or more of the institution's education and general expenditures are derived from funds provided to students enrolled at the institution from the programs established by this title (except subparts 4 and 6 of part A and section 428B);

''(3) two-thirds or more of the institution's education and general expenditures are derived from funds provided to students enrolled at the institution pursuant to subpart 2 of part A of this title;

''(4) a limitation, suspension, or termination action by the Secretary against the institution pursuant to section 487 during the preceding 5 years;

''(5) an audit finding during the 2 most recent audits of the institution's conduct of the programs established by this title that resulted in the repayment by the institution of amounts greater than 3.5 percent of the funds the institution received from the programs established by this title for the year;

''(6) a citation of the institution by the Secretary for failure to submit audits required by this title in a timely fashion;

''(7) a year-to-year fluctuation of more than 25 percent in the amounts received by students in either Federal Pell Grants, Federal Stafford Loans, or Federal Supplemental Loans to students, which are not accounted for by changes in these programs;

''(8) failure to meet financial responsibility standards pursuant to subsection (c)(6)(B) of section 487;

''(9) a change of ownership of the institution that results in a change of control which includes (but is not limited to)—

''(A) the sale of the institution or the majority of its assets;

''(B) the transfer of the controlling interest of stock of the institution or its parent corporation;

''(C) the division of 1 or more institutions into 2 or more institutions;

''(D) the transfer of the controlling interest of stock of the institution to its parent corporation; or

''(E) the transfer of the liabilities of the institution to its parent corporation;

''(10) initial participation in any of the programs established pursuant to subparts 2 and 3 of part A, part B, part C, part D, and part E of this title; and

''(11) a pattern of student complaints related to the management or conduct of the programs established by this title pursuant to subsection (k), which in the judgment of the Secretary are sufficient to justify review of the institution.

''(c) USE OF RECENT DATA.—The criteria provided for in subsection (b) shall be measured on the basis of the most recent data available to the Secretary. Institutions may request verification of the data used by the Secretary.

''(d) REVIEW STANDARDS.—Institutions which meet one or more of the criteria in subsection (b) shall be reviewed by the appropriate State agency or instrumentality in accordance with published State standards, consistent with the constitution and laws of the State, developed in consultation with the institutions in the State, subject to disapproval by the Secretary, for—

''(1) the quality and content of the institution's courses or programs of instruction, training, or study in relation to achieving the stated objectives for which the courses or programs are offered, including the adequacy of the space, equipment, instructional material, staff, and student support services, including student orientation, counseling, and advisement, for providing education or training that meets the stated objectives for which the courses or programs are offered;

''(2) the availability to students and prospective students of catalogues, admissions requirements, course outlines, schedules of tuition and fees and the rules and regulations of the institution relating to students and their accuracy in reflecting the courses and programs offered by the institution;

''(3) assurance that the institution has a method to assess a student's ability to succeed in the course of study for which he or she has applied;

''(4) assurance that the institution maintains and enforces standards relating to academic progress and maintains adequate student records;

''(5) compliance by the institution with applicable laws and regulations relating to insuring the safety and health of all persons on the premises of the institution;

''(6) the financial and administrative capacity of the institution at a specified scale of operations and the maintenance of adequate financial and other information necessary to determine the financial and administrative capacity of the institution;

''(7) for institutions financially at risk, the adequacy of provisions to provide for the instruction of students and to provide for the retention and accessibility of academic and financial aid records of students in the event the institution closes;

''(8) if the stated objectives of the courses or programs of the institution are to prepare students for employment, the relationship of the tuition and fees to the remuneration that can be reasonably expected by students who complete the course or program and the relationship of the courses or programs to providing useful employment in recognized occupations in the State; and

''(9) the success of the program at the institution including—

''(A) the rates of the institution's students program completion and graduation, taking into account the length of the program at the institution and the selectivity of the institution's admissions policies;

''(B) the withdrawal rates of the institution's students;

''(C) the rates of placement of the institution's graduates in occupations related to their course of study; and

''(D) where appropriate, the rate at which the institution's graduates pass licensure examinations.

''(e) SUBSTITUTIONS PROHIBITED.—The appropriate State postsecondary review agency may not substitute either (1) accreditation by a private accrediting agency or body, or (2) compliance audits performed by a State guaranty agency established under section 428(b) of this title, for State review of compliance with standards in subsection (d).

''(f) STATE CONTRACTS.—If the appropriate State postsecondary review agency contracts with a private agency or body for assistance in performing State review agency functions, such contract shall be provided for in an agreement with the Secretary.

''(g) PROHIBITION ON UNRELATED REQUIREMENTS.—Notwithstanding any of the provisions of this part, the Secretary shall not require a State to establish standards that are unrelated to ensuring institutional or program integrity or that violate the provisions of a State's constitution or laws.

''(h) DIFFERENTIAL STANDARDS FOR APPROVAL.—A State may establish different standards of approval and frequency of review for different classes of institutions of higher education, as defined by its relevant State laws and regulations. However, a State shall have a published standard of approval for each subparagraph of subsection (d) for each such class of institutions of higher education, unless the agreement with the Secretary under this part specifically exempts such classes of institutions as defined by the State.

''(i) INSTITUTIONAL ELIGIBILITY.—A State postsecondary review agency may determine that an institution of higher education shall not be eligible to participate in programs under this title based on its own findings or the findings of a Federal entity in accordance with the following procedures:

''(1) STATE FINDINGS.—If the appropriate State postsecondary review agency finds that an institution of higher education does not meet one or more of the standards of subsection (d) of this section, such State postsecondary review agency shall notify the Secretary of its findings and the actions that such agency is taking, or has taken, in response to such findings within a time period prescribed by the Secretary by regulations. If a State postsecondary review agency determines an institution of higher education shall not be eligible for participation in programs under this title, such State postsecondary review agency shall notify the Secretary.

''(2) SECRETARY'S FINDINGS.—If the Secretary or other Federal entity takes, or plans to take, any action against any institution of higher education (including any actions taken under section 487), the Secretary shall notify the appropriate State postsecondary review agency (or agencies, in the case of multi-State institutions) of such action within a time period prescribed in the Secretary's regulations.

''(3) PROCEDURAL PROTECTIONS FOR DISAPPROVAL.—The Secretary shall, by regulation, prescribe minimum procedural standards for the disapproval of institutions of higher education by the appropriate State postsecondary review agency or agencies for purposes of this title.

''(j) LIMIT ON STATE POSTSECONDARY REVIEW AGENCY FUNCTIONS.—The functions of State postsecondary review agency shall not include performing financial and compliance audits as may be required under sections 428 or 487 of this Act.

''(k) CONSUMER COMPLAINTS.—A State, in consultation with the institutions of higher education in the State, shall establish procedures for receiving and responding to consumer complaints about institutions of higher education and shall keep records of such complaints in order to determine their frequency and nature for specific institutions of higher education. The State shall make such records publicly available.

''(l) ENFORCEMENT MECHANISMS.—Nothing in this part shall restrict the authority of the States to establish mechanisms to enforce the standards established under subsection (d) or require the States to establish specific mechanisms recommended by the Secretary.''.

SEC. 497A. DEFINITIONS.

Section 481(a) of the Act is amended by inserting after paragraph (4) the following new paragraph:

''(5) The term 'institution of higher education' does not include institutions of higher education that are removed from eligibility for funds under this title as a result of a review pursuant to part H of this title.''.

SEC. 497B. EFFECTIVE DATES.

The amendments made by this part shall take effect one year after the date of enactment of this Act, except that, in the case of any State whose legislature is not in session during such one-year period, such amendments shall take effect two years after such date of enactment.

PART I—CONFORMING AMENDMENTS

SEC. 499. CONFORMING AMENDMENTS.

(a) OBRA AMENDMENT.—Section 3008 of the Omnibus Budget Reconciliation Act of 1990 is

amended by striking ''1996'' and inserting ''1997''.

(b) HIGHER EDUCATION TECHNICAL AMENDMENTS OF 1991.—Section 3(c) of the Higher Education Technical Amendments of 1991 is amended by striking ''November 15, 1992''.

PART J—AMENDMENTS TO RELATED PROGRAMS

SEC. 499A. EXCELLENCE IN MATHEMATICS, SCIENCE AND ENGINEERING EDUCATION ACT OF 1990.

Section 601(b) of the Excellence in Mathematics, Science and Engineering Education Act of 1990 is amended—

(1) by striking ''1992 and'' and inserting ''1992,''; and

(2) by striking ''1993'' and inserting ''1993, and such sums as may be necessary for each of the 4 succeeding fiscal years,''.

PART K—AMENDMENTS TO RELATED PROGRAMS

SEC. 499B. EXCELLENCE IN MATHEMATICS, SCIENCE AND ENGINEERING EDUCATION ACT OF 1990.

Section 621(o) of the Excellence in Mathematics, Science and Engineering Education Act of 1990 is amended by striking ''fiscal year 1991'' and inserting ''each of the fiscal years 1993 and 1994''.

PART L—AMENDMENTS TO RELATED PROGRAMS

SEC. 499C. EXCELLENCE IN MATHEMATICS, SCIENCE AND ENGINEERING EDUCATION ACT OF 1990.

Section 621 of the Excellence in Mathematics, Science and Engineering Education Act of 1990 is amended—

(1) in subsection (b), by amending paragraph (2) to read as follows:

''(2) FUNCTION.—The Advisory Board shall develop an exam for secondary students testing knowledge in science, mathematics, and engineering, or shall select an exam from among existing national exams, and shall annually administer such exam.'';

(2) by striking subsections (d), (e), and (f);

(3) by redesignating subsection (c) as subsection (d);

(4) by inserting after subsection (b), the following new subsection:

''(c) RESULTS OF EXAM.—The Advisory Board shall annually certify the top 10 scorers in each congressional district on the exam developed or selected under subsection (b)(2), and award to the top 2 scorers in each district a scholarship under this section.'';

(5) in subsection (d)(1), as so redesignated by paragraph (3) of this section, by striking ''subsection (n)'' and inserting in lieu thereof ''subsection (l)'';

(6) in subsection (d)(2), as so redesignated by paragraph (3) of this section, by striking ''subsection (h)'' and inserting in lieu thereof ''subsection (f)'';

(7) in subsection (d)(3), as so redesignated by paragraph (3) of this section—

(A) by striking ''subsection (h)'' and inserting in lieu thereof ''subsection (f)''; and

(B) by inserting ''such additional'' after ''maximum of 3'';

(8) by redesignating subsections (g) through (o) as subsections (e) through (m), respectively;

(9) in subsection (f)(2), as so redesignated by paragraph (8) of this section, by striking ''subsection (f)'' and inserting in lieu thereof ''subsection (d)(3)''; and

(10) in subsection (m), as so redesignated by paragraph (8) of this section, by striking ''$2,200,000 for fiscal year 1991'' and inserting in lieu thereof ''$4,400,000 for fiscal year 1993 and $8,800,000 for fiscal year 1994''.

TITLE V—EDUCATOR RECRUITMENT, RETENTION, AND DEVELOPMENT

SEC. 501. REVISION OF TITLE V.

(a) AMENDMENT.—Title V of the Act is amended to read as follows:

''TITLE V—EDUCATOR RECRUITMENT, RETENTION, AND DEVELOPMENT

''SEC. 501. STATEMENT OF FINDINGS AND PURPOSE.

''(a) FINDINGS.—The Congress finds that—

''(1) teachers in the classroom are the men and women who must play an integral role in leading our Nation's schools into the 21st century;

''(2) we should encourage individuals to enter the education profession so that our teaching force is representative both of the diversity of our Nation and of the tremendous talents and skills of our citizens;

''(3) the methods used to prepare prospective teachers and the continuing education and support provided to practicing teachers have a significant influence on the effectiveness of classroom teachers;

''(4) the postsecondary education of education professionals has not been linked to local, State and national goals and standards;

''(5) the inservice and continuing professional development of educators has not promoted systematic and sustained improvement of the education system;

''(6) State educational agencies have not been funded and staffed adequately to carry out a mission of supporting a process to achieve local, State, or national goals and standards;

''(7) in order to encourage more women and underrepresented minorities to enter the fields of science and mathematics and succeed in these fields, we must provide proper training for existing mathematics and science teachers and recruit women and underrepresented minorities as teachers in these fields;

''(8) educators must have the expertise and the support that allow them to adapt to the changing environment in our schools and to the evolving skills required of our schools' graduates; and

''(9) the Federal Government plays an essential role in providing support to educator training and professional development that will enable teachers to be classroom leaders and administrators to be school leaders at the forefront of reforming our Nation's schools.

''(b) PURPOSE.—It is the purpose of this title—

''(1) to encourage academically qualified students to become teachers through scholarship assistance;

''(2) to support the recruitment of talented individuals into the teaching profession;

''(3) to provide assistance to schools of education in institutions of higher education in order to reform teacher education programs by encouraging new developments in teacher preparation which provide for greater integration of subject matter and pedagogical training and which prepare classroom teachers to effectively meet changing noneducational challenges in the schools;

''(4) to promote high quality child development and early childhood education specialist training programs, including preschool and early intervention services for infants and toddlers with disabilities;

''(5) to provide assistance to our Nation's teaching force for the continued improvement of their professional skills;

''(6) to assist individuals who are currently employed as school paraprofessionals to obtain the education necessary in order to become a licensed or certified teachers;

''(7) to promote partnerships between institutions of higher education and local educational agencies for the purpose of promoting the restructuring and renewal of elementary and secondary schools and collegiate teacher education programs;

''(8) to promote new learning within colleges of education and State and local educational agencies that will cause greater collaboration among such entities in order to achieve common goals and standards through systemic improvement;

''(9) To provide scholarship assistance to encourage women and minorities who are underrepresented in the fields of science and mathematics to enter the teaching profession in these fields; and

''(10) to improve the leadership and managerial skills of elementary and secondary school administrators.

''SEC. 502. AUTHORIZATION OF APPROPRIATIONS.

''(a) STATE AND LOCAL PROGRAMS FOR TEACHER EXCELLENCE.—For part A there are authorized to be appropriated $400,000,000 for fiscal year 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

''(b) TEACHER SCHOLARSHIPS AND FELLOWSHIPS.—

''(1) For subpart 1 of part B there are authorized to be appropriated $25,000,000 for fiscal year 1993 and such sums as may be necessary the 4 succeeding fiscal years.

''(2) For subpart 2 of part B there are authorized to be appropriated $15,000,000 for fiscal year 1993, and such sums as may be necessary for the 4 succeeding fiscal years.

''(c) NATIONAL PROGRAMS.—

''(1) For subpart 1 of part C there are authorized to be appropriated $15,000,000 for fiscal year 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

''(2) For subpart 2 of part C there are authorized to be appropriated $20,000,000 for the period beginning on October 1, 1992 and ending on September 30, 1997.

''(3) For subpart 3 of part C there are authorized to be appropriated $20,000,000 for fiscal year 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

''(4) For subpart 4 of part C there are authorized to be appropriated $50,000,000 for fiscal year 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

''(5) For subpart 5 of part C there are authorized to be appropriated $2,000,000 for fiscal year 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

''(6) For subpart 6 of part C there are authorized to be appropriated $5,000,000 for fiscal year 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

''(7) For subpart 7 of part C there are authorized to be appropriated $15,000,000 for fiscal year 1993.

''(8) For subpart 8 of part C there are authorized to be appropriated $15,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

''(9) For subpart 9 of part C, there are authorized to be appropriated $20,000,000 for fiscal year 1993, and such sums as may be necessary for each of the 4 succeeding fiscal years.

''(10) For subpart 10 of part C, there are authorized to be appropriated $20,000,000 for fiscal year 1993, and such sums as may be necessary for each of the 4 succeeding fiscal years.

''(11) For subpart 11 of part C there are authorized to be appropriated $100,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

''(d) PART D.—

''(1) CRITICAL LANGUAGE AND AREA STUDIES.—There are authorized to be appropriated $15,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years to carry out the provisions of subpart 1.

''(2) FOREIGN LANGUAGE AND CULTURE INSTRUCTIONAL MATERIALS.—There are authorized to be appropriated $4,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years to carry out the provisions of subpart 2.

"PART A—STATE AND LOCAL PROGRAMS FOR TEACHER EXCELLENCE

"SEC. 511. AUTHORITY AND ALLOCATION OF FUNDS.

''(a) PURPOSE AND AUTHORITY.—

''(1) PURPOSE.—It is the purpose of this part to provide funds to State educational agencies, local educational agencies and institutions of higher education in order to update and improve the skills of classroom teachers, including preschool and early childhood education specialists and school administrators and to provide for a comprehensive examination of State requirements for teacher preservice and certification.

''(2) PROGRAM AUTHORIZED.—The Secretary is authorized to make grants to State educational agencies for the purposes of enhancing and improving the quality of teaching, including early childhood education, in each of the several States.

''(b) ALLOTMENT OF FUNDS.—

''(1) IN GENERAL.—The Secretary shall allot to each State an amount which bears the same ratio to the amount of such remainder as the school-aged population of that State bears to the school-aged population of all States. In making allotments under this part, the Secretary shall use the most recent data available.

''(2) TERRITORIAL GRANTS.—From 1 percent of the amount appropriated under subsection (a) for this part, the Secretary shall make grants to the Virgin Islands, Guam, the Northern Mariana Islands, American Samoa, and Palau (until the Compact of Free Association with Palau takes effect pursuant to section 101(a) of Public Law 99–658).

''(3) ALLOCATIONS FROM STATE ALLOTMENTS.—

''(A) From the sum allotted each year under paragraph (1), the State education agency shall allocate not less than 50 percent to local educational agencies within such state according to the relative enrollments in public schools within the local educational agency for the purposes of section 513, except that any local educational agency that would receive a grant of less than $10,000 shall be required to form a consortium with other local educational agencies. In making allotments under this part, the State educational agency shall use the most recent data available.

''(B) The State educational agency may reserve up to 25 percent of the funds for the purposes of section 514.

''(C) From the sum allotted each year under paragraph (1), the State educational agency shall reserve not more than 25 percent to distribute to institutions of higher education for the purposes of section 515.

''(D) The State educational agency may reserve no more than 3 percent of the funds allotted to the State for the purposes of administering the program under this title.

''(c) STATE DISTRIBUTION.—Notwithstanding subsection (b), if the appropriation for this part for any fiscal year is less than $250,000,000, the State shall distribute the funds reserved for local educational agencies on a competitive basis.

''(d) DEFINITION OF STATE.—For purposes of this subsection—

''(1) the term 'State' includes the several States, the District of Columbia, and the Commonwealth of Puerto Rico; and

''(2) the term 'school-aged population' means the populations aged 5 to 17, inclusive.

"SEC. 512. STATE APPLICATION.

''(a) IN GENERAL.—Any State which desires to receive an allotment under this part shall submit to the Secretary an application which—

''(1) designates the State educational agency as the State agency responsible for the administration and supervision of programs assisted under this part;

''(2) provides for a process of active discussion and consultation with a committee, convened by the chief State school officer, which is broadly representative of the educational interests within the State, including—

''(A) a representative nominated by each of the following:

''(i) the State teacher organizations;

''(ii) the organizations representing preschool and early childhood education specialists;

''(iii) the State school administrators organization;

''(iv) the State parents organizations;

''(v) the State business organizations; and

''(vi) the State student organizations;

''(B) a representative from the State board of education;

''(C) a representative of faculty from departments, schools or colleges of educations;

''(D) other representatives of institutions of higher education including community colleges;

''(E) the State director of vocational education; and

''(F) the State director of special education;

''(3) describes the competitive process that the State will use to distribute funds among local educational agencies pursuant to section 511(c);

''(4) describes the process the State will use to conduct the assessment required by section 514;

''(5) describes how the State will allocate funds among activities permitted under section 514;

''(6) describes, if appropriate, the competitive process that the State will use to select applicants to operate the State Academies for Teachers, how Academy participants will be selected, and how the State will monitor the implementation of the Academies;

''(7) describes, if appropriate, the competitive process that the State will use to select applicants to operate the State Academies for School Leaders, how Academy participants will be selected, and how the State will monitor the implementation of the Academies;

''(8) describes the competitive process that the State will use to distribute funds among institutions of higher education pursuant to section 515;

''(9) describes a plan to promote learning among the State educational agency staff in order to support and facilitate systemic improvement of the State educational agency, schools or colleges of education at institutions of higher education, and local educational agencies; and

''(10) includes such other information and assurances as the Secretary may require.

''(b) FUNCTIONS OF COMMITTEE.—The application required by subsection (a) shall identify the procedures by which the committee required by paragraph (2) of such subsection will be engaged in—

''(1) ensuring that activities assisted under this part are effective, coordinated with other State, local, and Federal activities and programs, and meet the needs of the State for improving the quality of teaching and teacher education programs, including those programs concerned with preschool education and the training of early childhood education specialists and school leadership programs;

''(2) advising the State on criteria for awarding funds under section 511(c), section 514(d), section 514(e), and section 515; and

''(3) advising the State on criteria for approving local educational agency applications under section 513(a).

"SEC. 513. LOCAL APPLICATION AND USE OF FUNDS.

''(a) LOCAL APPLICATION.—Any local educational agency which desires to receive an allotment under this part shall submit to the State educational agency an application which—

''(1) describes the needs of such agency with respect to inservice training programs for teachers and preschool and early childhood education specialists, pursuant to the assessment conducted under subsection (b)(2)(A), teacher recruitment, business partnerships, and the provision of other opportunities for teachers to improve their skills;

''(2) describes the process used to determine such needs, including consultation with teachers, preschool and early childhood specialists, principals, parents, representatives from departments, schools or colleges of education, and others in the community;

''(3) describes the activities such agency intends to conduct with the funds provided under section 511(b)(3)(A) consistent with the provisions of this section in order to improve the quality of teaching within such agency;

''(4) describes the processes and methods used to promote systematic improvement through continual learning in order to achieve agreed upon local, State and National standards; and

''(5) any other information that the State educational agency may reasonably require.

''(b) LOCAL USES OF FUNDS.—

''(1) IN GENERAL.—Local educational agencies receiving funds under this part shall use such funds for the inservice training of teachers and preschool and early childhood education specialists and may use funds for—

''(A) development of programs to recruit individuals into the teaching profession and the field of early childhood education,

''(B) business partnerships, and

''(C) other purposes consistent with improving the quality of teaching in the local educational agency, as approved by the State educational agency.

''(2) INSERVICE TRAINING.—

''(A) In order to receive funds under this part, a local educational agency or a consortium of local educational agencies shall first assess the needs of such agency or agencies for inservice training.

''(B) Funds expended for inservice training shall be used for the cost of—

''(i) the expansion and improvement of inservice training and retraining of teachers and other appropriate school personnel, including vocational teachers, special education teachers, and preschool teachers, consistent with the assessment conducted under subparagraph (A);

''(ii) providing funds for grants projects for individual teachers within the local educational agency to undertake projects to improve their teaching ability or to improve the instructional materials used in their classrooms;

''(iii) activities designed to address the effects of chronic community violence on children, such as violence counseling training for teachers and early childhood specialists, and activities and training aimed at resolving conflicts;

''(iv) activities designed to enhance the ability of teachers to work with culturally diverse students;

''(v) activities designed to integrate academic and vocational education;

''(vi) as appropriate, activities designed to assist teacher participation in a Tech-Prep program under section 344(b) of the Carl D. Perkins Vocational and Applied Technology Act, in order to develop the skills of such teachers in activities such as organizational development leadership and interdisciplinary curricula development; and

''(vii) other activities consistent with the goals of this part as approved by the State educational agency.

''(C) Such activities may be carried out through agreements with institutions of higher education, nonprofit organizations, public agencies, and museums.

''(D) Activities related to inservice training shall be coordinated with such activities carried out under part A of title II of the Elementary and Secondary Education Act of 1965.

''(3) RECRUITMENT OF TEACHERS.—

''(A) Local educational agencies may use funds—

''(i) to establish, operate, or expand programs to encourage and recruit interested individuals to pursue a course of study that will lead to a career in education; and

''(ii) to establish, operate, or expand a program where such agency recruits students currently enrolled in a school in the local educational agency to be teachers or early childhood education specialists.

''(B) Activities under this paragraph may include (but shall not be limited to)—

''(i) academic and career counseling of and support services for students;

''(ii) programs whereby students act as tutors while they are enrolled in schools in the local educational agency;

''(iii) programs whereby students enrolled in institutions of higher education and other individuals tutor students within schools in the local educational agency;

''(iv) information and recruitment efforts to attract individuals into the teaching profession; and

''(v) programs to support early childhood education efforts at the preschool and school level.

''(C) In conducting programs under section 513(b)(3), local educational agencies shall place a priority on recruiting students and individuals from minority groups.

''(D) Local educational agencies may conduct programs under section 513(b)(3) in consortia with institutions of higher education.

''(4) BUSINESS PARTNERSHIPS.—Local educational agencies may use funds to establish partnerships with representatives of the business community to sponsor—

''(A) programs which allow representatives of local business or firms to go into the classroom and work with the classroom teacher to provide instruction in subject areas where the expertise of the teacher could be supplemented especially in the subject areas of mathematics, science, and vocational and technology education training;

''(B) internship programs which provide an opportunity for classroom teachers to work in local businesses or firms to gain practical experience or to develop new skills or expertise;

''(C) programs which bring students and teachers into business settings to see applications of course work and in specialized areas, and to learn to use advanced technical equipment;

''(D) programs which allow representatives of local businesses and firms to work with school administrators to develop instructional material; and

''(E) other activities appropriate to forming a working relationship between business leaders and classroom leaders.

''SEC. 514. STATE USES OF FUNDS.

''(a) IN GENERAL.—State educational agencies receiving funds under this part shall use such funds for conducting an assessment of teacher education programs within such State, and may use funds for—

''(1) the establishment of State Academies for Teachers,

''(2) the establishment of State Academies for School Leaders, and

''(3) other purposes consistent with improving the quality of the Nation's teaching force, including efforts to improve the quality and number of preschool and early childhood education specialists, as approved by the Secretary.

''(b) TEACHER EDUCATION STUDY.—Each State educational agency receiving funds under this part shall, in consultation with institutions of higher education, local educational agencies, teachers, parents, the State legislature, the State board of education, and business, undertake a study of teacher education programs and State teacher professional development requirements, including programs and requirements intended to train preschool and early childhood education specialists, and the State laws and regulations relating to such programs and requirements, including any standards or requirements for certification and licensure, in order to determine if such programs and requirements are adequately preparing teachers to effectively educate students. Such study shall include the consideration of the following in order to determine if such programs or requirements—

''(1) would be improved if teacher education programs were required to coordinate courses with other departments on campus in order to provide prospective teachers with a strong background in their subject matter;

''(2) integrate academic and vocational education instruction;

''(3) give enough flexibility in order to allow experimentation and innovation;

''(4) would be improved if such programs provided preparation for students desiring to become teachers, but who are pursuing a bachelor's degree in an area of study other than education; and

''(5) would be improved if teacher certification required a bachelor's degree in a subject area and a masters degree in education.

''(c) DEADLINES.—Such study shall be completed by two years from the end of the first fiscal year in which funding was made available for this part. The results of such study shall be reported to the Secretary. In submitting the report to the Secretary, the State educational agency shall include in the report the most successful practices used to enhance the profession of teaching. The Secretary may disseminate such successful practices in order to assist other States in their efforts to enhance the profession of teaching. Except as provided in subsection (d), beginning in the third fiscal year for which funding is available, State educational agencies shall use at least 75 percent of their funds provided under section 511(b)(3)(C) to implement the program and policy changes flowing from the findings of the study and to assist schools of education throughout the State in meeting any new requirements that result from the study. The State educational agency shall award grants pursuant to section 515(b)(6) to institutions of higher education to implement the programs and policy changes flowing from the findings of the study.

''(d) WAIVER.—If a State demonstrates to the Secretary that it has completed a comparable study within the previous 3 years prior to the fiscal year for which funds were made available under this part, then the Secretary may waive the requirements of subsection (a). States receiving a waiver shall use funds provided under section 511(b)(3)(C) to implement the program and policy changes resulting from the funding of such study. If the State can demonstrate to the Secretary that such program and policy changes have been implemented, then the State shall use funds provided under section 511(b)(3)(C) to carry out the activities authorized under subsections (e) and (f).''

''(e) STATE ACADEMIES FOR TEACHERS.—

''(1) COMPETITIVE AWARDS FOR ACADEMIES.—The State educational agency may use a portion of the State's grant under section 511(b)(3)(C) to make competitive awards to local educational agencies, institutions of higher education, other public and private nonprofit agencies and organizations, or consortia of such agencies, institutions, and organizations, to establish and operate State Academies for Teachers. Such Academies may be operated in cooperation or consortium with those of other States. To the extent practicable, such academies shall coordinate efforts with the teacher inservice activities of local educational agencies.

''(2) EARLY CHILDHOOD ACADEMIES.—Each State educational agency may establish an academy aimed at early childhood education training. Such an academy shall give a priority to recruiting candidates from underrepresented groups in the early childhood education profession and shall provide intensive childhood training in violence counseling.

''(3) TECH-PREP ACADEMIES.—Each State educational agency may establish an academy for (A) assisting educators in secondary schools and community colleges to more effectively understand organizational structures and organizational change strategies; (B) assisting educators to learn effective peer leadership strategies; (C) assisting secondary school teachers and community college faculty to identify the knowledge and skills required in highly technical industries and workplaces; (D) assisting secondary school teachers and community college faculty to apply creative strategies to the development of interdisciplinary curricula; and (E) assisting educators in integrating academic and vocational education.

''(4) AUTHORIZED ACTIVITIES.—

''(A) Each State choosing to establish State academies for teachers may establish a separate academy in each of the 6 core academic subjects (English, mathematics, science, history, foreign languages, and geography) as well as vocational and technology education, or may establish one or several academies which focus on more than one subject. Each academy may have as a focus methods and curricula that stress instruction in applied settings, including the integration of vocational education with the core subject areas of focus for the academy. A State educational agency may establish an early childhood education academy or tech-prep academy either in addition to or in lieu of a core academic subject area.

''(B) Except as provided under paragraphs (2) and (3), each State Academy for Teachers assisted under this title shall conduct a program of intensive instruction, during the summer or the school year, focusing on the core academic disciplines of English, mathematics, science, history, foreign languages, and geography as well as vocational and technology education. Such instruction shall be provided to current elementary and secondary school teachers.

''(C) The instruction provided by each such Academy shall include—

''(i) renewal and enhancement of participants' knowledge of one or more of the 6 core academic disciplines described in subparagraph (A);

''(ii) teaching skills and strategies needed to impart academic subject matter to students, including students who are educationally disadvantaged, limited English proficient, or have disabilities, and other students from diverse backgrounds;

''(iii) at the Academy's discretion, the use of educational technologies in teaching the core academic disciplines;

''(iv) training needed to become a lead teacher or a master teacher in a core subject;

''(v) training needed to participate in curriculum development in a core subject;

''(vi) training in the development and use of assessment tools; and

''(vii) integration of academic and vocational instruction.

''(D) Each Academy assisted under this part shall carry out activities consistent with the purpose of this part, which may include—

''(i) review of existing teacher enhancement programs to identify the most promising approaches;

''(ii) development of a curriculum for use by the Academy;

''(iii) review existing systemic improvement strategies and theories to identify the most promising approaches that will achieve a quality education for all students;

''(iv) recruitment of teachers within the State to participate in the Academy's program, including, recruitment of—

''(I) minority group members;

''(II) individuals with disabilities;

''(III) individuals from areas with high numbers or concentrations of educationally disadvantaged students; and

''(IV) other teachers who have a potential for leadership;

''(v) follow-up activities for previous participants;

''(vi) dissemination of information about the Academy, including the training curricula developed; and

''(vii) evaluation of the impact of the Academy on the teaching practices of participants, and other evaluation activities designed to strengthen the Academy's program.

''(4) ADDITIONAL ACTIVITIES.—

''(A) Each Academy may use a portion of the funds provided for a program of cash awards and recognition to outstanding teachers in the core academic subject or subjects covered by the program of the Academy.

''(B) Each Academy choosing to offer the awards under subparagraph (A) shall select teachers to receive awards from nominations received from local educational agencies, public and private schools, teachers, associations of teachers, parents, associations of parents and teachers, businesses, business groups, and student groups.

''(C) Any full-time public or private elementary or secondary school teacher of a core academic subject or vocational and technology education subject, including an elementary school teacher of the general curriculum, shall be eligible to receive an award under this subsection.

''(D) The Academy shall select award recipients in accordance with criteria developed by the Academy and approved by the State educational agency. The selection criteria may take into account, but are not limited to, teacher's success in—

''(i) educating educationally disadvantaged children, such as children with disabilities, children of limited English proficiency, homeless children, or children who are currently or formerly migratory, in a core academic subject or vocational and technology education subject;

''(ii) educating gifted and talented students in a core academic subject;

''(iii) encouraging students to enroll, and succeed, in advanced classes in a core academic subject or vocational and technology education subject;

''(iv) teaching a core academic subject or vocational and technology education subject successfully in schools educating large numbers of educationally disadvantaged students, including schools in low-income inner-city or rural areas;

''(v) introducing a new curriculum in a core academic subject or vocational and technology education subject into a school or strengthening an established curriculum;

''(vi) acting as a 'master teacher' in a core academic subject or vocational and technology education subject; or

''(vii) training in violence counseling and conflict resolution.

''(E) The amount of a teacher's award under this subsection shall not exceed $5,000 and shall be available for any purpose the recipient chooses.

''(5) RECIPIENT USE OF FUNDS.—Each recipient may use a portion of the funds provided to meet the reasonable start-up and initial operating costs of carrying out the activities described in section 305 (a) through (c), which may include stipends and travel and living expenses for teachers who participate in the Academy's program if no other funds are available to pay those costs.

''(6) COST-SHARING.—Funds received under this subsection may be used to pay up to 75 percent of the cost of a State Academy for Teachers in the first year, 65 percent of such cost in the second year, 55 percent in the third year, 45 percent in the fourth year, and 35 percent in the fifth year. The remaining share shall be provided from non-Federal sources, and may include in-kind contributions, fairly valued.

''(f) STATE ACADEMIES FOR SCHOOL LEADERS.—

''(1) COMPETITIVE AWARDS FOR ACADEMIES.—Each State choosing to establish a State Academy for School Leaders shall make competitive awards to local educational agencies, institutions of higher education, other public and private nonprofit agencies and organizations, or consortia of such agencies, institutions, and organizations, to establish and operate a State Academy for School Leaders. A priority for awards shall be given to entities who received funds under subpart 2 of part C of title V of the Higher Education Act as in effect on September 30, 1991. Such Academies may be operated in cooperation or consortium with those of other States.

''(2) AUTHORIZED ACTIVITIES.—Each Academy assisted under this subsection shall—

''(A) identify models and methods of leadership training and development that are promising or have proven to be successful;

''(B) develop curricula, which focus on instructional leadership, school-based management, and the design and execution of systemic school improvement strategies and accountability mechanisms leading to achievement of local, State, and national goals and standards, for the development of school leaders;

''(C) identify candidates, including members of minority groups, individuals with disabilities, and individuals from schools with high numbers of concentrations of educationally disadvantaged students, to be trained as new school leaders;

''(D) provide intensive training and development programs both for persons desiring and demonstrating outstanding promise to become school leaders, and for current school leaders seeking enhanced and up-to-date knowledge needed to perform their jobs effectively, with a special emphasis on violence training and conflict resolution;

''(E) identify local educational agencies and schools with principal and other school leader vacancies and work with them to match Academy participants with such vacancies;

''(F) as appropriate, facilitate internships for graduates of the program for new school leaders, under the guidance and supervision of experienced administrators;

''(G) provide periodic follow-up development activities for school leaders trained through the Academy's programs;

''(H) disseminate information about the Academy, including the training curricula developed;

''(I) evaluation of the impact of the Academy on the leadership practices of participants, and other evaluation activities designed to strengthen the Academy's program; and

''(J) as appropriate, coordinate activities with those of any State academies for teachers established in the State.

''(3) USE OF FUNDS.—Each recipient of funds under this subsection shall use those funds to meet the reasonable start-up and initial operating costs of carrying out the activities described in paragraph (2), which may include stipends, travel, and living expenses for participants in the Academy if no other funds are available to pay those costs.

''(4) COST-SHARING.—Funds received under this subsection may be used to pay up to 75 percent of the cost of a State Academy for School Leaders in the first year, 65 percent of such cost in the second year, 55 percent in the third year, 45 percent in the fourth year, and 35 percent in the fifth year. The remaining share shall be provided from non-Federal sources, and may include in kind contributions, fairly valued.

''SEC. 515. INSTITUTIONS OF HIGHER EDUCATION USES OF FUNDS.

''(a) APPLICATIONS.—Institutions of higher education desiring to receive a grant under section 511(b)(3)(D) shall submit to the State educational agency an application which—

''(1) describes the types of activities that the school, college, or department of education plans to undertake with funds provided;

''(2) describes the process used by the institution to determine the State's needs for improving teacher education and training for preschool and early childhood education specialists, including consulting with current students, teachers, representatives from local educational agencies, parents, and representatives from preschool and early childhood specialists;

''(3) if such institution is applying for a grant to assist local educational agencies in providing inservice training for teachers, describes the training and services that such institution plans to provide for teachers within the local educational agency and demonstrates that such training and services are consistent with the needs of the local educational agencies to be served;

''(4) describes how the institution plans to integrate academic and vocational teacher education programs; and

''(5) other information that may be required by the State educational agency.

''(b) AWARDS.—The State educational agency shall award grants on a competitive basis to institutions of higher education that have departments, schools, or colleges of education. In awarding grants, the State educational agency shall award funds for the following purposes:

''(1) for institutions of higher education in consultation and cooperation with a local educational agency or a consortium of local educational agencies, to develop and provide technical assistance to local education agencies in providing inservice training for teachers;

''(2) for improving teacher education programs in order to further innovation in teacher education programs within an institution of higher education and to better meet the needs of the local educational agencies for well-prepared teachers;

''(3) for improving training for preschool and early childhood education specialists, including preschool and early intervention services for infants and toddlers with disabilities, in order to further innovation in such programs with institutions of higher education and to better meet the needs of preschool and early childhood education programs for well-prepared personnel;

''(4) to integrate the instruction of academic and vocational teacher education programs;

''(5) activities to encourage individuals, especially individuals from minority groups, to pursue a career in education; and

''(6) when the study of teacher education programs is completed under section 514, to implement the new requirements for teacher education programs.

"SEC. 516. FEDERAL FUNDS TO SUPPLEMENT, NOT SUPPLANT REGULAR NON-FEDERAL FUNDS.

''A State educational agency, local educational agency, or institution of higher education may use funds received under this part only so as to supplement and, to the extent practicable, increase the level of funds that would be available from non-Federal sources for the uses of funds under this part and in no case may such funds be so used as to supplant such funds from such non-Federal sources.

"SEC. 517. COORDINATION WITH OTHER PROGRAMS.

''If a State educational agency receives funding under the Neighborhood Schools Improvement Act, then the State educational agency shall ensure that activities conducted under this part shall be consistent with the goals and objectives of the State plan under section 8006 of such Act.

"PART B—TEACHER SCHOLARSHIPS AND FELLOWSHIPS

"Subpart 1—Paul Douglas Teacher Corps Scholarships

"SEC. 521. PURPOSE.

''It is the purpose of this subpart to make available, through grants to the States, scholarships to individuals who are outstanding high school graduates and who demonstrate an interest in teaching, in order to enable and encourage those individuals to pursue teaching careers in education at the preschool, elementary, or secondary level, and to encourage women and minorities who are underrepresented in the fields of science and mathematics to pursue teaching careers in these fields. Such scholarships shall be referred to as Paul Douglas Teacher Corps Scholarships.

"SEC. 522. ALLOCATION AMONG STATES.

''From the sums appropriated for this subpart for any fiscal year, the Secretary shall allocate to any State an amount based on the school-age population in the State compared to the school-age population in all States. In making such allotments, the Secretary shall use the most recent data available.

"SEC. 523. GRANT APPLICATIONS.

''(a) SUBMISSION OF APPLICATIONS.—The Secretary is authorized to make grants to States in accordance with the provisions of this subpart. In order to receive a grant under this subpart, a State shall submit an application at such time or times, in such manner, and containing such information as the Secretary may prescribe by regulation. Such application shall set forth a program of activities for carrying out the purposes of this subpart in such detail as will enable the Secretary to determine the degree to which such program will accomplish such purposes and such other policies, procedures, and assurances as the Secretary may require by regulation.

''(b) CONTENT OF APPLICATIONS.—The Secretary shall approve an application under this subpart only if the application—

''(1) describes the selection criteria and procedures to be used by the State in the selection of scholarship recipients;

''(2) designates the State agency which administers the program under subpart 4 of part A of title IV, relating to State student incentive grants, or the State agency with which the Secretary has an agreement under section 428(b);

''(3) describes the outreach effort the State agency intends to use to publicize the availability of Paul Douglas Teacher Corps Scholarships to high school students in the State;

''(4) describes how the State will inform recipients, upon receipt of the award, of current and projected teacher shortages and surpluses within the State;

''(5) provides assurances that each recipient eligible under section 525(b) who receives a Paul Douglas Teacher Corps Scholarship shall enter into an agreement with the State agency under which the recipient shall—

''(A) within the 10-year period after completing the postsecondary education for which the Paul Douglas Teacher Corps Scholarship was awarded, teach for a period of not less than 2 years for each year for which assistance was received, in a public or private nonprofit preschool, elementary, or secondary school in any State, or, on a full-time basis, children with disabilities or children with limited English proficiency in a private nonprofit school, except that, in the case of (i) individuals who teach in a shortage area established by the Secretary pursuant to section 530, or (ii) individuals from minority groups who teach in public or private nonprofit elementary or secondary schools in any State where there are significant numbers of minority students enrolled, the requirements of this subparagraph shall be reduced by one-half;

''(B) provide the State agency evidence of compliance with section 527 as required by the State agency; and

''(C) repay all or part of a Paul Douglas Teacher Corps Scholarship received under section 524 plus interest and, if applicable, reasonable collection fees, in compliance with regulations issued by the Secretary under section 527, in the event that the conditions of subparagraph (A) are not complied with, except as provided for in section 528;

''(6) provides that the agreement entered into with recipients shall fully disclose the terms and conditions under which assistance under this subpart is provided and under which repayment may be required including—

''(A) a description of the procedures required to be established under paragraph (7); and

''(B) a description of the appeals procedures required to be established under paragraph (8) under which a recipient may appeal a determination of noncompliance with any provision under this subpart;

''(7) provides for procedures under which a recipient of assistance received under this part who teaches for less than the period required under paragraph (5)(A) will have the repayment requirements reduced or eliminated consistent with the provisions of sections 527 and 528;

''(8) provides for appeals procedures under which a recipient may appeal any determination of noncompliance with any provision under this part; and

''(9) provides assurances that the State agency shall make particular efforts to attract students from low-income backgrounds; ethnic and racial minority students; students with disabilities; other individuals from groups historically underrepresented in teaching; individuals who express a willingness or desire to teach in rural schools, urban schools, or schools having less than average academic results or serving large numbers of economically disadvantaged students; or students who show interest in pursuing teaching careers in science and mathematics, especially women and minorities who are underrepresented in these fields.

''(c) SELECTION CRITERIA AND PROCEDURES.—The State educational agency, in cooperation with the State higher education agency, and pursuant to scholarship selection criteria included in section 525, shall establish criteria to select Paul Douglas Teacher Corps Scholarship recipients. These criteria shall be intended to attract highly qualified individuals into teaching, to ensure that these students are enrolled in approved teacher education programs, and to meet the needs of States in addressing teacher shortages, including a demonstrated interest in teaching, or skill or professional experience in fields of expertise in which the State is experiencing teacher shortages.

''(d) SPECIAL CONSIDERATION.—The State educational agency, in cooperation with the State higher education agency, shall give special consideration in the selection of teacher corps members to individuals who—

''(1) intend to teach or provide related services to students with disabilities;

''(2) intend to teach limited English proficient students;

''(3) intend to teach preschool age children;

''(4) intend to teach in schools servicing inner city or rural or geographically isolated areas (as defined by the Secretary by regulations consistent with the purposes of this section); or

''(5) intend to teach in curricular areas or geographic areas where there are demonstrated shortages of qualified teachers.

''(e) PRIORITY CONSIDERATION.—The State educational agency shall give priority consideration in the selection of individuals from disadvantaged backgrounds, including racial and ethnic minorities and individuals with disabilities, who are underrepresented in the teaching profession or in the curricular areas in which they are preparing to teach.

''(f) SOLICITATION OF VIEWS ON SELECTION CRITERIA AND PROCEDURES.—In developing the selection criteria and procedures to be used by the State, the State shall solicit the views of local educational agencies, private educational institutions, and other interested parties. Such views—

''(1) shall be solicited by means of (A) written comments; and (B) publication of proposed selection criteria and procedures in final form for implementation; and

''(2) may be solicited by means of (A) public hearings on the teaching needs of elementary and secondary schools in the State (including the number of new teachers needed, the expected supply of new teachers, and the shortages in the State of teachers with specific preparation); or (B) such other methods as the State may determine to be appropriate to gather information on such needs.

"SEC. 524. AMOUNT AND DURATION OF AND RELATION TO OTHER ASSISTANCE.

''(a) LIMITATIONS ON AMOUNT AND DURATION.—Subject to subsection (c) each Paul Douglas Teacher Corps Scholar shall receive a $5,000 scholarship for each academic year of postsecondary education for study in preparation to become a preschool, special education, elementary, or secondary teacher. No individual shall receive scholarship assistance for more than 4 years of postsecondary education, as determined by the State agency.

''(b) CONSIDERATION OF AWARD IN OTHER PROGRAMS.—Notwithstanding the provisions of title IV of this Act, scholarship funds awarded pursuant to this part shall be considered in determining eligibility for student assistance under title IV of this Act.

''(c) ASSISTANCE NOT TO EXCEED NEED.—Paul Douglas Teacher Corps Scholarship assistance awarded by the statewide panel established pursuant to section 525(a) to any individual in any given year, when added to assistance received under title IV of this Act, shall not exceed the cost of attendance, as defined in section 472 of this Act, at the institution the individual is attending. If the amount of the Paul Douglas Teacher Corps Scholarship assistance and assistance received under title IV of this Act, exceeds the

cost of attendance, the Paul Douglas Teacher Corps Scholarship shall be reduced by an amount equal to the amount by which the combined awards exceed the cost of attendance.

''(d) ASSISTANCE NOT TO EXCEED COST OF ATTENDANCE.—No individual shall receive an award under the Paul Douglas Teacher Corps Scholarship established under this subpart, in any academic year, which exceeds the cost of attendance, as defined in section 472 of this Act, at the institution the individual is attending.

''SEC. 525. SELECTION OF PAUL DOUGLAS TEACHER CORPS SCHOLARS.

''(a) SELECTION BY STATEWIDE PANELS.—Paul Douglas Teacher Corps Scholars shall be selected by a 7-member statewide panel appointed by the chief State elected official, acting in consultation with the State educational agency, or by an existing grant agency or panel designated by the chief State elected official and approved by the Secretary of Education. The statewide panel shall be representative of school administrators, teachers, including preschool and special education teachers, and parents.

''(b) ELIGIBILITY FOR SELECTION; SELECTION CRITERIA AND PROCEDURES.—Selections of Paul Douglas Teacher Corps Scholars shall be made from students who have graduated or who are graduating from high school and who rank in the top 15 percent of their graduating class. The State educational agency shall make applications available to public and private nonprofit high schools in the State and in other locations convenient to applicants, parents, and others. The statewide panel shall develop criteria and procedures for the selection of Paul Douglas Teacher Corps Scholars. Such criteria may include the applicant's high school grade point average, involvement in extracurricular activities, financial need, and expression of interest in teaching as expressed in an essay written by the applicant. The panel may also require the applicant to furnish letters of recommendation from teachers and others. Special consideration shall be afforded to women and minorities who are underrepresented in the fields of science and mathematics and are seeking to enter the teaching profession in these fields.

''(c) WAIVERS.—For purposes of making priority considerations in section 523(d) States may waive certain criteria in section 525(b) for up to 25 percent of individuals receiving Paul Douglas Teacher Corps Scholarships.

''SEC. 526. SCHOLARSHIP CONDITIONS.

''Recipients of scholarship assistance under this subpart shall continue to receive such scholarship payments only during such periods that the State agency finds that the recipient is—

''(1) enrolled as a full-time student in an accredited postsecondary institution;

''(2) pursuing a course of study leading to teacher certification; and

''(3) maintaining satisfactory progress as determined by the postsecondary institution the recipient is attending.

''SEC. 527. SCHOLARSHIP REPAYMENT PROVISIONS.

''Recipients found by the State agency to be in noncompliance with the agreement entered into under section 523(b)(4) of this subpart shall be required to repay a pro rata amount of the scholarship awards received, plus interest and, where applicable, reasonable collection fees, on a schedule and at a rate of interest to be prescribed by the Secretary by regulations issued pursuant to this subpart.

''SEC. 528. EXCEPTIONS TO REPAYMENT PROVISIONS.

''(a) DEFERRAL DURING CERTAIN PERIODS.—A recipient shall not be considered in violation of the agreement entered into pursuant to section 523(b)(4) during any period in which the recipient—

''(1) is pursuing a full-time course of study related to the field of teaching at an eligible institution;

''(2) is serving, not in excess of 3 years, as a member of the armed services of the United States;

''(3) is temporarily totally disabled for a period of time not to exceed 3 years as established by sworn affidavit of a qualified physician;

''(4) is unable to secure employment of a period not to exceed 12 months by reason of the care required by a spouse who is disabled;

''(5) is seeking and unable to find full-time employment for a single period not to exceed 12 months;

''(6) is seeking and unable to find full-time employment as a teacher in a public or private nonprofit preschool, elementary or secondary school, or a public or private nonprofit preschool, education program for a single period not to exceed 27 months; or

''(7) satisfies the provisions of additional repayment exceptions that may be prescribed by the Secretary in regulations issued pursuant to this subpart.

''(b) FORGIVENESS IF PERMANENTLY TOTALLY DISABLED.—A recipient shall be excused from repayment of any scholarship assistance received under this subpart if the recipient becomes permanently totally disabled as established by sworn affidavit of a qualified physician.

''SEC. 529. FEDERAL ADMINISTRATION OF STATE PROGRAMS; JUDICIAL REVIEW.

''(a) DISAPPROVAL HEARING REQUIRED.—The Secretary shall not finally disapprove any application for a State program submitted under section 523, or any modification thereof, without first affording the State agency submitting the program reasonable notice and opportunity for a hearing.

''(b) SUSPENSION OF ELIGIBILITY.—Whenever the Secretary, after reasonable notice and opportunity for hearing to the State agency administering a State program approved under this subpart, finds—

''(1) that the State program has been so changed that it no longer complies with the provisions of this subpart, or

''(2) that in the administration of the program there is a failure to comply substantially with any such provisions,

the Secretary shall notify such State agency that the State will not be regarded as eligible to participate in the program under this subpart until the Secretary is satisfied that there is no longer any such failure to comply.

''(c) COURT REVIEW.—(1) If any State is dissatisfied with the Secretary's final action under subsection (b)(1) or (2), such State may appeal to the United States court of appeals for the circuit in which such State is located. The summons and notice of appeal may be served at any place in the United States. The Secretary shall forthwith certify and file in the court the transcript of the proceedings and the record on which the action was based.

''(2) The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify any previous action, and shall certify to the court the transcript and record of further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

''(3) The court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

''SEC. 530. DESIGNATION OF SHORTAGE AREAS.

''For the purposes of this part, the term 'shortage areas' means (1) geographic areas of the State in which there is a shortage of elementary and secondary school teachers, and (2) an area of shortage of elementary and secondary school teachers in specific grade levels and in specific academic, instructional, subject matter, and discipline classifications. Such shortage areas shall be prescribed by the Secretary, in consultation with the chief State school officer or, in the case of nonprofit private elementary or secondary schools, with appropriate officials of nonprofit private schools in each State in accordance with this section. In carrying out the provision of this section, the Secretary shall give special consideration to areas in which emergency certification of individuals in a State is being used to correct teacher shortages; and to States which have retirement laws permitting early retirement.

''Subpart 2—Christa McAuliffe Fellowship Program

''SEC. 531. DECLARATION OF PURPOSE; DESIGNATION.

''(a) PURPOSE.—It is the purpose of this subpart to establish a national fellowship program for outstanding teachers.

''(b) DESIGNATION.—Individuals awarded fellowships under this subpart shall be known as 'Christa McAuliffe Fellows'.

''SEC. 532. USE OF FUNDS FOR FELLOWSHIPS AND ADMINISTRATION.

''Funds appropriated for any fiscal year for fellowships to outstanding teachers under this subpart shall be used to award fellowships in accordance with the requirements of this subpart, except that not more than 3 percent of such funds shall be used for purposes of administering this subpart, including activities authorized under section 537.

''SEC. 533. CHRISTA MCAULIFFE FELLOWSHIPS.

''(a) AWARD DISTRIBUTION AND AMOUNTS.—(1) Except as provided under paragraph (3), sums available for the purpose of this subpart shall be used to award one national teacher fellowship to a public or private school teacher teaching in each congressional district of each State, and in the District of Columbia, and the Commonwealth of Puerto Rico; and one such fellowship in Guam, the Virgin Islands, American Samoa, the Northern Mariana Islands, and Palau (until the Compact of Free Association with Palau takes effect pursuant to section 101(a) of Public Law 99–658).

''(2) Fellowship awards may not exceed the average national salary of public school teachers in the most recent year for which satisfactory data are available, as determined by the Secretary. Christa McAuliffe teacher fellows may not receive an award for 2 consecutive years. Subject to the repayment provisions of section 536, Christa McAuliffe teacher fellows shall be required to return to a teaching position in their current school district or private school system for at least 2 years following the fellowship award. The Secretary is authorized, in extraordinary circumstances, to waive or defer all or a portion of the service requirement, or allow fellows to fulfill their service requirement by going into a teaching position in another school or school district.

''(3) If the appropriation for this subpart under section 502(b) is not sufficient to provide the number of fellowships required by paragraph (1) at the level required under paragraph (2), the Secretary shall determine and publish an alternative distribution of fellowships which will permit fellowship awards at that level and which is geographi-

cally equitable. The Secretary shall send a notice of such determination to each of the statewide panels established under section 534.

''(b) USE OF AWARDS.—Christa McAuliffe teacher fellows may use such awards for such projects for improving education as the Secretary may approve, including (1) sabbaticals for study or research directly associated with the objectives of this part, or academic improvement; (2) consultation with or assistance to other school districts or private school systems; (3) development of special innovative programs; (4) model teacher programs and staff development; (5) projects or partnerships that involve the business community and the schools; or (6) programs that incorporate the use and the sharing of technologies to help students learn.

''SEC. 534. SELECTION OF CHRISTA MCAULIFFE TEACHER FELLOWSHIPS.

''Recipients of Christa McAuliffe teacher fellowships in each State shall be selected (in accordance with section 535) by a 7-member statewide panel appointed by the chief State elected official, acting in consultation with the State educational agency, or by an existing panel designated by the chief State elected official and approved by the Secretary. The statewide panel shall be representative of school administrators, teachers, parents, and institutions of higher education.

''SEC. 535. EVALUATION OF APPLICATIONS.

''(a) SUBMISSION TO AND REVIEW BY STATEWIDE PANEL.—An applicant for Christa McAuliffe teacher fellowship assistance shall submit a proposal for a project under section 533(b), and shall indicate the extent to which the applicant wishes to continue current teaching duties. The applicant shall submit such a proposal to the local education agency for comment prior to submission to the statewide panel (appointed under section 534) for the State within which the proposed project is to be conducted. In evaluating proposals, such statewide panel shall consult with the local education agency, requesting 2 recommendations from teaching peers; a recommendation from the principal; and a recommendation of the superintendent on the quality of the proposal and its benefit to education; and any other criteria for awarding fellowships as is considered appropriate by such statewide panel. Selection of fellows shall be made in accordance with regulations prescribed by the Secretary of Education.

''(b) PUBLIC ANNOUNCEMENT.—Announcement of awards shall be made in a public ceremony.

''SEC. 536. FELLOWSHIP REPAYMENT PROVISIONS.

''Repayment of the award shall be made to the Federal Government in the case of fraud or gross noncompliance.

''SEC. 537. INFORMATION DISSEMINATION.

''The Secretary shall establish a clearinghouse or otherwise provide for the collection and dissemination of information on exemplary projects for improving education that receive funds under section 533(b) of this part. The Secretary may utilize the National Diffusion Network in carrying out the requirements of this section.

''PART C—NATIONAL PROGRAMS

''Subpart 1—National Mini Corps Program

''SEC. 541. NATIONAL MINI CORPS.

''(a) PROGRAM AUTHORIZED.—The Secretary is authorized to make grants to institutions of higher education to establish partnerships with local educational agencies to carry out the purposes of the National Mini Corps Program.

''(b) DEFINITIONS.—As used in this subpart—

''(1) the term 'individual' (A) has the same meaning as the terms 'first generation college student' and 'low income individual' as defined under section 417A(d) of this Act, or (B) means a student enrolled in an institution of higher education who is the child of current or former migratory workers (including migratory agricultural dairy workers) or of migratory fishermen;

''(2) the term 'children' means children who are eligible to receive services under part A or subpart 1 of part D of title I of the Elementary and Secondary Education Act of 1965.

''(c) PURPOSE OF THE PROGRAM.—It is the purpose of the National Mini Corps Program to—

''(1) provide individuals who are enrolled or plan to enroll in an institution of higher education with advisement, training, and instructional services, and to be role models for children;

''(2) provide outreach and recruitment services to encourage children to enroll in teacher education programs;

''(3) provide support and instructional services to individuals who are enrolled in an institution of higher education to enable such individuals to provide direct instructional services, which are coordinated with the overall educational goals of the State or local educational agency, to children eligible to receive services under chapter 1 of title I of the Elementary and Secondary Education Act of 1965 during the regular or summer term, including—

''(A) lessons and provision of materials that meet the academic needs of children in the classroom;

''(B) supplemental instruction to reinforce the basic skills and concepts provided through instruction by the teacher; and

''(C) instruction in other subject areas.

''(4) designate college coordinators at participating institutions of higher education to train, supervise, and assign individuals to carry out the activities of this subpart in cooperation with State and local educational agencies in which children with special needs have been identified; and

''(5) support other appropriate activities related to encouraging individuals to enter the teaching profession and to provide a link to the community.

''(d) APPLICATION REQUIRED.—Institutions of higher education desiring to receive a grant under this subpart shall submit an application to the Secretary which shall include—

''(1) a written partnership agreement with the State and local educational agency in which the children have been identified for participation in the activities under this subpart;

''(2) a description of the strategies that will be employed to engage the community generally in the activities and programs supported by the programs under this subpart;

''(3) a description of the process by which individuals will be recruited and selected to participate in the programs under this subpart;

''(4) a description of the programs and activities which will be supported by the programs under this subpart; and

''(5) such other information as the Secretary considers necessary to determine the nature of the local needs, the quality of the proposed Mini Corps Program, and the capability of the applicant to implement the proposed Mini Corps Program.

''(e) AWARDING OF GRANTS.—In awarding grants under this subpart, the Secretary shall ensure, to the extent practicable, that—

''(1) grants are equitably distributed on a geographic basis throughout the Nation and among a variety of communities; and

''(2) the amount of the grant awarded is proportionate to the number of individuals and children who, on the basis of the grant application, are expected to be involved in the programs and activities supported by the National Mini Corps.

''(f) USES OF FUNDS.—Funds provided under this part may be used for planning, implementing and operating a National Mini Corps Program; except that not more than 15 percent of any grant received under this part may be used for administrative costs.

''Subpart 2—National Teacher Board

''SEC. 546. NATIONAL BOARD FOR PROFESSIONAL TEACHING STANDARDS.

''(a) DEFINITIONS.—For the purpose of this subpart—

''(1) The term 'Board' means the National Board for Professional Teaching Standards.

''(2) The term 'Committee' means the Fund for Improvement and Reform of Schools and Teaching Board established in section 3231 of the Fund for the Improvement and Reform of Schools and Teaching Act.

''(3) The term 'elementary school' has the same meaning given that term in section 1471(8) of the Elementary and Secondary Education Act of 1965.

''(4) The term 'secondary school' has the same meaning given that term in section 1471(21) of the Elementary and Secondary Education Act of 1965.

''(5) The term 'Secretary' means the Secretary of Education.

''(b) PROGRAM AUTHORIZATION.—

''(1) PROGRAM AUTHORIZED.—From sums appropriated under section 502(c)(2) in any fiscal year, the Secretary is authorized and directed, in accordance with this subpart, to provide financial assistance to the National Board for Professional Teaching Standards, in order to pay the Federal share of the costs of the activities described in subsection (d).

''(2) TERMS AND CONDITIONS.—(A) No financial assistance may be made available under this subpart except upon an application as required by subsection (e).

''(B) No financial assistance may be made available under this subpart unless the Secretary determines that—

''(i) the Board will comply with the provisions of this subpart;

''(ii) the Board will use the Federal funds only for research and development activities in accordance with subsection (d) and such teacher assessment and certification procedures will be free from racial, cultural, gender or regional bias;

''(iii) the Board—

''(I) will widely disseminate for review and comment announcements of specific research projects to be conducted with Federal funds, including a description of the goals and focus of the specific project involved and the specific merit review procedures and evaluation criteria to be used in the competitive award process; and

''(II) will send such announcements to the Secretary of Education, the Director of the National Science Foundation, the National Research Council, and the educational research community;

''(iv) the Secretary, pursuant to an arrangement with the Board, will publish the announcements described in clause (iii) in the Federal Register (or such other publication deemed appropriate by the Secretary) and in publications of general circulation designed to disseminate such announcements widely to the educational research community;

''(v) the Board will, after offering any interested party an opportunity to make comment upon, and take exception to, the projects contained in the announcements described in clause (iii) for a 30-day period following publication, and after reconsidering any project upon which comment is made or to which exception is taken, through the Secretary issue a request for proposals in the Federal Register (or such other publication

deemed appropriate by the Secretary) containing any revised project information;

''(vi) the Board will make awards of Federal funds competitively on the basis of merit, and, in the award process, the Board will select, to the extent practicable consistent with standards of excellence—

''(I) a broad range of institutions associated with educational research and development; and

''(II) individuals who are broadly representative of the educational research and teaching communities with expertise in the specific area of research and development in question;

''(vii) the Board will adopt audit practices customarily applied to nonprofit private organizations and will comply with subsection (g)(3);

''(viii) the Board will not use Federal funds to meet the administrative and operating expenses of the Board;

''(ix) the Board will submit an annual report to Congress in accordance with the provisions of subsection (g)(1); and

''(x) the Board will, upon request, disseminate to States, local educational agencies, or other public educational entities the results of any research or research project produced with funds authorized by this part, upon the payment of the cost of reproducing the appropriate material.

''(3) AVAILABILITY OF FUNDS.—(A) Notwithstanding any other provision of law, funds appropriated to carry out this subpart shall remain available for obligation and expenditure until the end of the second fiscal year succeeding the fiscal year for which the funds were appropriated.

''(B) No funds shall be made available to the Board after September 30, 1997, except as authorized by paragraph (1) of this subsection.

''(c) CONSULTATION.—The Board shall consult at least twice annually with the Committee on the design and execution of its overall research and development strategy, including procedures to assure compliance with the requirements of this subpart. The procedures shall include—

''(1) an outline of specific research and development agenda and activities to be conducted with the Federal funds; and

''(2) provisions to ensure compliance with the open competition and merit review requirements of this subpart for proposals and projects assisted under this subpart.

''(d) AUTHORIZED ACTIVITIES.—

''(1) IN GENERAL.—Federal funds received under this subpart may only be used for research and development activities directly related to the development of teacher assessment and certification procedures for elementary and secondary school teachers.

''(2) PRIORITIES.—(A) The Board shall give priority to research and development activities in—

''(i) mathematics;

''(ii) the sciences;

''(iii) foreign languages; and

''(iv) literacy, including the ability to read, write and analyze.

''(B) The Board shall give priority to research and development activities for the certification of elementary and secondary school teachers and the need and ability of such teachers to teach special educational populations, including—

''(i) limited English proficient children;

''(ii) gifted and talented children;

''(iii) children with disabilities; and

''(iv) economically and educationally disadvantaged children.

''(e) APPLICATION.—

''(1) IN GENERAL.—The Board shall submit applications to the Secretary at such time and in such manner as the Secretary may reasonably require. Each such application shall—

''(A) describe the activities for which assistance is sought; and

''(B) provide assurances that the non-Federal share of the cost of activities of the Board is paid from non-Federal sources, together with a description of the manner in which the Board will comply with the requirements of this paragraph.

''(2) APPROVAL.—The Secretary shall approve an application unless such application fails to comply with the provisions of this subpart.

''(f) FEDERAL SHARE.—

''(1) IN GENERAL.—The Secretary shall pay to the Board the Federal share of the costs of the activities of the Board for the period for which the application is approved under subsection (e).

''(2) AMOUNT OF FEDERAL SHARE.—The Federal share shall be 50 percent of the costs of the activities described in subsection (d).

''(g) REPORTS AND AUDITING PROVISION.—

''(1) NATIONAL BOARD FOR PROFESSIONAL TEACHING STANDARDS REPORT.—The Board shall submit an annual report to the appropriate committees of the Congress not later than December 31, 1993, and each succeeding year thereafter for any fiscal year in which Federal funds are expended pursuant to this subpart. The Board shall disseminate the report for review and comment to the Department of Education, the National Science Foundation, the National Research Council, and the education research community. The report shall—

''(A) include a detailed financial statement and a report of the audit practices described in subsection (d)(3)(B)(vii);

''(B) include a description of the general procedures to assure compliance with the requirements of this subpart as required in subsection (d); and

''(C) provide a comprehensive and detailed description of the Board's agenda, activities, and planned activities for the preceding and succeeding fiscal years, including—

''(i) the Board's overall research and development program and activities;

''(ii) the specific research and development projects and activities conducted with Federal funds during the preceding fiscal year, including—

''(I) a description of the goals and methodology of the project;

''(II) a description and assessment of the findings (or status and preliminary findings if project is not yet completed);

''(III) a description of the competitive bidding process, the merit review procedures, and the evaluation criteria used to award project funds; and

''(IV) a description of the Board's plans for dissemination of the findings described in clause (ii);

''(iii) the specific research and development projects and activities planned to be conducted with Federal funds during the succeeding fiscal year, including the goals and methodologies to be used; and

''(iv) a listing of available publications of the Board, including publications related to policies, standards and general information, research reports, and commissioned papers of the Board.

''(2) FIRST ANNUAL REPORT.—The first annual report required by this subsection shall include a description of the Board's research and development agenda for the succeeding 5-year period. Such first report shall include to the maximum extent practicable, a description of specific research and development projects and activities, and the goals and methodologies of such projects and activities.

''(3) ADDITIONAL REPORTS.—The Department of Education, the National Science Foundation, and the National Research Council shall report to the appropriate committees of the Congress on the compliance of the Board with the requirements of this part not later than 30 days after the Board submits its annual report pursuant to paragraph (1).

''(4) AUDITING PROVISION.—The Comptroller General of the United States, and any of his authorized representatives, shall have access, for the purpose of audit and examination, to any books, documents, papers, and records of the Board, and to any recipient of the Board, that is pertinent to the sums received and disbursed under this subpart.

''(h) EVALUATION.—

''(1) IN GENERAL.—After September 30, 1995, the Secretary shall reserve not more than 2 percent of the amount appropriated pursuant to the authority of section 502(c)(2) to provide for an independent, ongoing evaluation of the research program of teacher assessments carried out by the Board and the fairness and the accuracy of the date such evaluations produce. The evaluation shall include an analysis of the impact of teacher assessments on minority teachers. The findings of the evaluation shall be submitted to the Labor and Human Resources Committee of the Senate and the Education and Labor Committee of the House of Representatives.

''(2) SPECIAL RULE.—The Secretary shall enter into a contract for the performance of the evaluation described in subsection (a) with a nationally recognized organization (such as the National Academy of Sciences or the National Academy of Education).

''(i) CONSTRUCTION.—Nothing in this subpart shall be construed to—

''(1) establish a preferred national curriculum or preferred teaching methodology for elementary and secondary school instruction;

''(2) infringe upon the rights and responsibilities of the States to license elementary and secondary school teachers;

''(3) infringe upon the practice or accreditation of home school or private school teaching;

''(4) provide an individual certified by the Board with a right of action against a State, local educational agency, or other public educational entity for any decisions related to hiring, promotion, retention or dismissal; or

''(5) authorize the Secretary to exercise supervision or control over the research program, standards, assessment practices, administration, or staffing policies of the Board.

"Subpart 3—Partnerships for Innovative Teacher Education

"SEC. 551. FINDINGS.

''The Congress finds as follows:

''(1) All students must master challenging subject matter and learn to be critical thinkers and self-directed learners, so that they will be prepared for responsible citizenship, further learning, and productive employment in our modern economy.

''(2) Teachers must have a thorough understanding of the content they teach and knowledge and skill in how to teach it to all students.

''(3) Teachers learn to teach most effectively in clinical, school-based settings with prospective and novice teachers working under the guidance of master teachers.

''(4) Highly skilled and effective teachers and specialists at all levels of the education system are needed, especially in programs serving very young (early childhood and preschool aged) children.

''(5) Research and development for improving teaching practices and student learning can and should be done by and with teachers for use in their particular schools.

''(6) School-based research and development is an effective way to generate knowledge that is needed for improving teaching and learning.

''(7) To be effective, training provided prospective teachers by institutions of higher education must be responsive to the needs of schools and teachers.

''(8) The business community has an important role to play in encouraging school-based research and development to improve teaching and learning.

''(9) American education needs a comprehensive reform strategy based on 3 principles: creation of a supportive political structure for sustained, school-level change; school-wide interventions that engage the teachers, students, and members of the wider school community in more powerful learning; and promotion of research and development that is close to the action of teaching and learning, but that draws on the best intellectual resources that the Nation has to offer.

''(10) Sustained collaborations between universities, schools, businesses, communities, and Government will provide the means to improve teaching and learning and to support change over the long run.

''SEC. 552. PURPOSE.

''It is the purpose of this subpart to stimulate the development of capacity for educational innovation through assisting in the establishment of teaching schools for the improvement of teacher education and teaching by providing financial assistance to partnerships involving institutions of higher education, elementary, and secondary schools and, where appropriate preschools, local educational agencies, and the business community with the support and collaboration of the State educational agency, of other educational organizations, social or human service agencies, and other community organizations.

''SEC. 553. PROGRAM AUTHORITY.

''(a) AUTHORITY.—The Secretary is authorized to make grants to, and enter into contracts and cooperative agreements with, eligible entities to plan, establish, and operate teaching schools to develop and put into practice the best knowledge about teaching.

''(b) DEFINITIONS.—For the purpose of this subpart—

''(1) the term 'teaching school' means a public preschool, elementary, or secondary school whose mission, in addition to providing the best possible education to its students, is to provide a site for formal collaboration between 1 or more institutions of higher education and the school for the purpose of—

''(A) the training of prospective and beginning teachers (including preschool and early childhood education specialists, where appropriate) under the guidance of master teachers and teacher educators;

''(B) the continuing development of experienced teachers;

''(C) research and development to improve teaching and learning and the organization of schools;

''(D) public demonstration of exemplary learning programs for diverse students; and

''(E) dissemination of knowledge produced in the research and development process;

''(2) the term 'institution of higher education' shall have the same meaning as defined in section 1201(a) of this Act; and

''(3) the term 'eligible entity' means a partnership that includes the participation of at least one institution of higher education, at least one local educational agency, teachers, and the business community, and may include the State educational agency.

''(c) AWARDS AND RENEWALS.—

''(1)(A) An award made under this subpart shall be for a term of 1 year.

''(B) An award made under this part may be in the form of a one-year planning grant or a one-year implementation grant. An implementation grant may be renewed without further competition annually for up to 4 additional years, upon submission of an evaluation of the project to the Secretary and assurances that the recipient—

''(i) has achieved the goals set out in its application for the original term;

''(ii) shows promise of continuing its progress;

''(iii) will meet its share of the project costs; and

''(iv) has developed a plan for continuing the teaching school after Federal funding is no longer available.

''(2) No teaching school may be supported with implementation grant funds provided under this part for a period of more than 3 years.

''SEC. 554. APPLICATIONS.

''(a) APPLICATIONS.—(1) Any eligible entity desiring to receive an award under this part shall submit an application to the Secretary, at such time, in such manner, and containing such information as the Secretary may require.

''(2) Each such application shall include—

''(A) a description of the partnership's plan for systemic change in education, and a description of the activities and services for which assistance is sought;

''(B) an identification of the preschool, elementary, or secondary school, or schools, that will operate as teaching schools;

''(C) assurances that in establishing the teaching schools, the applicant has consulted with teachers, administrators, and parents who will be affected at the teaching school site;

''(D) an identification of the institution, or institutions, of higher education that will be the partner in each teaching school and a description of each institution's capacity to engage in education innovation;

''(E) a statement of the goals to be achieved during the initial period of the award including a statement of the partnership's understanding of and commitment to higher quality teaching and learning;

''(F) a plan for monitoring progress and evaluating the effectiveness of the teaching school in meeting the goals it has developed for teacher and student performance; and

''(G) estimates of the number of prospective and beginning teachers to be trained in the teaching school in each year of the project and assurances that a significant number of prospective and beginning teachers will be trained in the teaching school in each year of the project.

''(b) PRIORITIES.—In making awards under this part, the Secretary shall give priority to applicants that—

''(1) select teaching school sites based on need, as evidenced by such measures as a high rate of teacher attrition or a high proportion of the student body at risk of educational failure;

''(2) propose projects that demonstrate the strong commitment to or previous active support for educational innovation;

''(3) propose projects that demonstrate collaboration with other educational organizations, social or human service agencies, other community organizations, and the business community in the teaching school's operation;

''(4) demonstrate potential for a significant impact on the quality of the future education work force; and

''(5) demonstrate the long-term feasibility of the partnership.

''(c) SPECIAL RULES.—An application from a partnership must describe—

''(1) how the State will assist the partnership by addressing the need to change or waive a State rule or regulation that is found by a teaching school to impede the school's progress in achieving its goals;

''(2) how the local educational agency will address the need to change or waive a local rule or regulation that is found by a teaching school to impede the school's progress in achieving its goals; and

''(3) how partners that are institutions of higher education will involve the School of Education, the School of Arts and Sciences, and the School of Technology or Engineering and any other department of the institution.

''SEC. 555. USES OF FUNDS.

''(a) USES OF FUNDS.—

''(1) Applicants may use funds awarded under this part for the planning, establishment, and operation of teaching schools, including—

''(A) staff development;

''(B) purchase of books, materials, and equipment, including new technology;

''(C) minor remodeling;

''(D) payment of personnel directly related to the operation of the teaching school program;

''(E) participation in the activities of a network of teaching schools;

''(F) other costs incidental to planning establishing, or operating teaching schools; and

''(G) the evaluation component required in section 533(c)(1)(B).

''(2) The Secretary may limit the amounts of funds that may be used for minor remodeling and the purchase of equipment under this part.

''(b) AUTHORIZED ACTIVITIES.—Teaching schools shall use funds under this part for the following activities:

''(1) Training activities for prospective teachers in the school setting.

''(2) Internship training and other induction activities for prospective and beginning teachers.

''(3) Activities to integrate academic and vocational education.

''(4) Training and other activities to promote the continued learning of experienced teachers, especially in their subject matter knowledge and how to teach it.

''(5) Participation of experienced teachers in the internship training and assessment of prospective and beginning teachers.

''(6) Participation of higher education faculty with expertise in pedagogy in the school-based training and continuing development of teachers.

''(7) Activities designed to increase beginning and experienced teachers' understanding and use of research findings.

''(8) Participation of expert practicing teachers and administrators in the university-based education studies of prospective teachers.

''(9) Participation of faculty with expertise in the liberal arts and sciences in the training of prospective and beginning teachers and in the continuing development of experienced teachers.

''(10) Experimentation and research conducted in the school by teachers and university faculty to improve teaching and learning.

''(11) Activities designed to disseminate information about the lessons learned in the teaching school with other teachers in the district's schools.

''(12) Organizational restructuring, including the introduction of new roles and staffing patterns in the school and university.

''(13) Efforts to link the school and its neighborhood and community to ensure that children are ready to learn when they come to school.

''(14) Activities intended to address the effects of chronic community violence, such as violence counseling and conflict resolution training.

''(15) Training and leadership development of personnel in order to prepare them to assume new roles.

''(16) New technologies to enhance instruction and management.

''(17) Efforts to strengthen linkages between schools, universities and education agencies and the business community, so as to improve the transition of students into the workplace.

''(18) Other activities proposed by the applicant and approved by the Secretary.

''SEC. 556. RESERVATION OF FUNDS; COST SHARING.

''(a) RESERVATIONS.—The Secretary is authorized to reserve up to 3 percent of the amount appropriated for each fiscal year under section 502(c)(3) to—

''(1) study the planning and evaluate implementation processes and the results of the teaching schools established under this program;

''(2) disseminate findings of such studies and evaluations to researchers, practitioners, policy makers, and parents;

''(3) provide technical assistance to teaching schools; and

''(4) support the development of a network or networks of teaching schools.

''(b) COST SHARING.—The Federal share of the cost of the activities set forth in an approved application for a one-year planning or implementation grant shall be 50 percent.

''SEC. 557. DEFINITIONS.

''For the purpose of this subpart, the term 'teacher' includes elementary and secondary school classroom teachers, and preschool and early childhood education specialist.

''Subpart 4—Teacher Opportunity Corps

''SEC. 561. PURPOSE.

''It is the purpose of this subpart to encourage institutions of higher education to offer educational programs and financial assistance that would enable paraprofessionals working in shortage area schools serving disadvantaged students to become certified or licensed teachers.

''SEC. 562. DEFINITIONS.

''For the purpose of this subpart—

''(1) the term 'certified or licensed teacher' means an individual who possesses a document certifying that the individual has met the requirements of a State for employment as a teacher in the public schools of that State (including individuals who have been certified as specialists in preschool and early childhood education);

''(2) the term 'shortage area' means (A) an area the Secretary has designated as an area with a shortage of elementary and secondary school teachers, or (B) a shortage in a designated subject area, under section 530 of this Act;

''(3) the term 'chapter 1' means chapter 1 of title I of the Elementary and Secondary Education Act of 1965; and

''(4) the term 'paraprofessional' means an individual with, at least, a high school diploma or recognized equivalent who is employed in a preschool or elementary or secondary school under the supervision of a certified teacher to assist in providing instruction, which may include (but is not limited to) bilingual education, special education, and migrant education.

''SEC. 563. ALLOCATION AMONG STATES.

''From the sums appropriated for this subpart pursuant to section 502(c)(4) for any fiscal year, the Secretary shall allocate to any State an amount which bears as nearly as possible the same ratio to such sums as the allocation of funds under part A of chapter 1 in that State bears to the total allocation of funds under part A of chapter 1 in all States receiving grants under this subpart, except that no State grant shall be less than $500,000 in any fiscal year.

''SEC. 564. AGREEMENTS.

''Each State receiving a grant authorized by this subpart shall enter into an agreement with the Secretary. Each such agreement shall include provisions designed to ensure that—

''(1) the State educational agency or the State agency which administers subpart 4 of part A of title IV, relating to State student incentive grants, will administer the program authorized by this subpart in the State;

''(2) the State educational agency or higher education agency will use no more than 5 percent of the grant it receives to cover administrative expenses; and

''(3) the State educational agency or higher education agency will keep such records and provide such information to the Secretary as may be required for fiscal audit and program evaluation, consistent with the responsibilities of the Secretary.

''SEC. 565. STATE GRANT APPLICATIONS.

''(a) AUTHORITY.—The Secretary is authorized to make grants to the States to support programs at institutions of higher education that serve the purposes of this subpart.

''(b) SUBMISSION OF APPLICATIONS.—In order to receive a grant under this subpart, a State shall submit an application at such time or times, in such manner, and containing such information as the Secretary may prescribe by regulation. Such application shall set forth a program of activities for carrying out the purposes set forth in this subpart in such detail as will enable the Secretary to determine the degree to which such program will accomplish such purposes and such other policies, procedures, and assurances as the Secretary may require by regulation.

''SEC. 566. GENERAL CRITERIA FOR STATE GRANTS.

''(a) GRANT REQUIREMENTS.—The following criteria shall apply to each State grant made under this subpart:

''(1) The grant shall ensure the involvement of institutions of higher education and schools or local educational agencies that are located in shortage areas.

''(2) The grant shall ensure that all regular and developmental credit-bearing courses taken in educational programs offered under this subpart are fully creditable to a baccalaureate or graduate program leading to teacher certification or licensure.

''(3) The grant shall require that any paraprofessional who receives student financial assistance under this subpart enter into an agreement under which the paraprofessional shall—

''(A) within the 10-year period after completing the postsecondary education for which the assistance was provided, act as an educational professional or a paraprofessional in a shortage area school for a period of not less than one year for each full-time academic year or equivalent for which the assistance was received;

''(B) provide to the State evidence of compliance with subparagraph (A); and

''(C) repay all or part of the student financial assistance received under this subpart, plus interest and reasonable collection costs (if applicable), in the event that the paraprofessional fails to comply with the conditions of subparagraph (A), in accordance with the regulations prescribed by the Secretary under section 527 and except in the circumstances provided in section 528.

''(4) The amount of scholarship awarded under this subpart shall be reduced by the amount that the scholarship exceeds the student's cost of attendance, as defined in section 472. A scholarship awarded under this subpart shall not be reduced on the basis of the student's receipt of other forms of Federal student financial assistance but shall be taken into account in determining the eligibility of the student for those other forms of Federal student financial assistance.

''(5) The grant shall establish a system for the evaluation of the programs conducted.

''(b) DURATION OF GRANT.—Each grant under this subpart shall be for a term of no less than 5 years, subject to the availability of appropriations.

''(c) USES OF FUNDS.—Funds made available under this subpart to any State may be used for—

''(1) providing student financial assistance to paraprofessionals to pay part or all of the costs of attendance (as determined under section 472);

''(2) instructional and supportive services for such paraprofessionals during participation in such programs; and

''(3) child care expenses as provided in paragraph (7) of such section in programs of postsecondary education required for teacher certification or licensure.

''Subpart 5—National Job Bank for Teacher Recruitment

''SEC. 571. STUDY.

''The Secretary, through the Office of Educational Research and Improvement, shall conduct a study on the feasibility of—

''(1) establishing a clearinghouse to operate a national teacher job bank; or

''(2) establishing regional clearinghouses to operate regional teacher job banks.

''SEC. 572. NATIONAL TEACHER JOB BANK DEMONSTRATION.

''(a) PROGRAM AUTHORIZED.—The Secretary, through the Office of Educational Research and Improvement, shall contract with one or more State entities, nonprofit organizations, or institutions of higher education to establish a National or Regional Teacher Job Bank Clearinghouse which shall—

''(1) assist local educational agencies and private schools in locating qualified applicants for teaching-related positions; and

''(2) help individuals in locating teaching-related jobs or the training necessary to enter the teaching profession or the field of early childhood or preschool education.

''(b) APPLICATION REQUIRED.—Each entity desiring to enter into a contract with the Secretary for the establishment of a Teacher Job Bank Clearinghouse shall submit an application to the Secretary at such time, in such manner and accompanied by such information as the Secretary may reasonably require. Each such application shall include—

''(1) a demonstration of the applicant's capacity to efficiently and effectively handle a large volume of inquiries from employers and potential employees;

''(2) a demonstration of support from local educational agencies and private schools and institutions of higher education that are likely to use the services provided by the Teacher Job Bank Clearinghouse; and

''(3) a demonstration of ability to provide prospective teachers with information either directly or by contract with another entity regarding the certification and licensure requirements of each State which is served by a clearinghouse and procedures for assisting out-of-State teachers to meet State certification requirements.

''(c) PRIORITY.—The Secretary shall give priority to applications submitted pursuant to paragraph (1) which—

''(1) demonstrate the ability to serve a region of the United States and involve the cooperation of several State educational agencies and institutions of higher education; or

''(2) demonstrate an ability to address shortages of teachers, such as teachers from minority groups, special education teachers, bilingual teachers, or individuals planning to teach in subject areas, geographical areas, or types of schools with shortages.

''SEC. 573. USE OF FUNDS.

''Each entity, organization, or institution receiving funds under this subpart may use such funds to—

''(1) develop, in consultation with local education agencies and other appropriate entities, standardized initial application forms for teaching jobs and related positions, and standardized forms and procedures for announcing available teaching positions;

''(2) coordinate and assist State and local teacher recruitment efforts;

''(3) publish and disseminate information about opportunities for teacher employment and teacher training;

''(4) maintain a system for matching available teachers with job openings for which they are qualified and for tracking the supply of teachers and the demand for teachers among the States;

''(5) encourage the development of programs to recruit and train minorities and individuals with disabilities to become teachers;

''(6) assist employers in checking the background of applicants;

''(7) publicize the availability of scholarships, loans, and other programs that assist individuals wishing to pursue a teaching career;

''(8) assist employers in the development of effective teacher recruitment programs;

''(9) assist in developing reciprocal agreements on teacher certification among States; and

''(10) conduct such other activities and services necessary to carrying out the purposes of this subpart in accordance with the provisions of this subpart.

"SEC. 574. DEFINITION.

''For the purposes of this subpart, the term 'teacher' includes elementary and secondary school classroom teachers, and preschool and early childhood education specialists.

"Subpart 6—Midcareer Teacher Training for Nontraditional Students

"SEC. 581. STATEMENT OF PURPOSE.

''It is the purpose of this subpart to encourage institutions of higher education with schools or departments of education to establish and maintain programs that will provide teacher training to individuals who are moving to a career in education from another occupation. This is particularly important for women and minorities who are underrepresented in the fields of science and mathematics.

"SEC. 582. SELECTION OF PROCEDURES.

''From the funds available for this subpart, the Secretary shall make grants to institutions of higher education on the basis of the competitive selection among qualifying applications. Institutions selected as recipients shall be awarded (1) an initial planning grant for use during the first 2 fiscal years after selection, and (2) for institutions demonstrating successful performance with the planning grant, a renewal grant for use during not more than 2 additional years.

"SEC. 583. APPLICATIONS.

''(a) CONTENTS OF APPLICATIONS.—Applications for grants under this subpart shall demonstrate that—

''(1) the applicant will establish and maintain a program of midcareer teacher retraining designed to prepare individuals for teacher certification requirements who already have a baccalaureate or advanced degree and job experience in education-related fields of study, including preschool and early childhood education and special education, and to prepare teachers in the fields of science and mathematics;

''(2) the applicant has designed a program which includes at least the following elements:

''(A) a screening mechanism to ensure that individuals who are admitted to the program possess the current subject matter knowledge and the characteristics that would make them likely to succeed as classroom teachers;

''(B) a clear set of program goals and expectations which are communicated to participants; and

''(C) a curriculum that, when successfully completed, will provide participants with the skills and credentials needed to teach in specific subject areas, as well as a realistic perspective on the educational process;

''(3) the program has been developed with the cooperation and assistance of the local business community;

''(4) the program will be operated under a cooperative agreement between the institution and one or more State or local educational agencies; and

''(5) the program will be designed and operated with the active participation of qualified classroom teachers, including special education and early childhood education specialists, and specialists in science and mathematics and will include an inservice training component and follow-up assistance.

''(b) REVIEW OF APPLICATIONS.—Applications for grants under this subpart shall be reviewed by a panel of experts in teacher training designated by the Secretary. The Secretary shall, to the extent of available funds, select at least one applicant from each of the 10 regions served by the Department and ensure that programs offered reflect all significant areas of national need in which shortages exist.

"SEC. 584. AMOUNT OF GRANTS.

''The initial planning grant to an institution of higher education under this part shall not exceed $100,000 for the 2 years for which it is available. The renewal grant to an institution under this part shall not exceed $50,000 for each of the 2 years for which it is available.

"SEC. 585. REPORTS AND INFORMATION.

''Each institution of higher education that receives a grant under this subpart shall submit to the Secretary such reports and other information on the program it conducts under this subpart as the Secretary deems necessary. The Secretary shall disseminate such information to other institutions of higher education for the purpose of promoting greater use of midcareer teacher training programs without direct Federal financial assistance.

"Subpart 7—Alternative Routes to Teacher Certification and Licensure

"SEC. 586. SHORT TITLE.

''This subpart may be cited as the 'Alternative Routes to Teacher Certification and Licensure Act of 1991'.

"SEC. 587. FINDINGS.

''The Congress finds that—

''(1) effective elementary and secondary schools require competent teachers and strong leadership;

''(2) school systems would benefit greatly by increasing the pool of qualified individuals from which to recruit teachers;

''(3) many talented professionals who have demonstrated a high level of subject area competence outside the education profession may wish to pursue careers in education, but have not fulfilled the requirements to be certified or licensed as teachers;

''(4) alternative routes can enable qualified individuals to fulfill State certification or licensure requirements and would allow school systems to utilize the expertise of such professionals and improve the pool of qualified individuals available to local educational agencies as teachers; and

''(5) alternative routes to certification or licensure requirements that do not exclude qualified individuals from teaching solely because such individuals do not meet traditional certification or licensure requirements would allow school systems to take advantage of these professionals and improve the supply of well-qualified teachers.

"SEC. 588. PURPOSE.

''It is the purpose of this subpart to improve the supply of well-qualified elementary and secondary school teachers by encouraging and assisting States to develop and implement programs for alternative routes to teacher certification or licensure requirements. Such programs shall place special emphasis on the participation of individuals who are members of minority groups.

"SEC. 589. ALLOTMENTS.

''(a) IN GENERAL.—(1) From the amount appropriated to carry out this part, the Secretary shall allot to each State the lesser of either the amount the State applies for under section 590 or an amount that is proportional to the State's share of the total population of children ages five through seventeen in all the States (based on the most recent data available that is satisfactory to the Secretary).

''(2) If a State does not apply for its allotment, or the full amount of its allotment, under the preceding paragraph, the Secretary may reallocate the excess funds to one or more other States that demonstrate, to the satisfaction of the Secretary, a current need for the funds.

''(b) SPECIAL RULE.—Notwithstanding section 412(b) of the General Education Provisions Act, funds awarded under this subpart shall remain available for obligation by a recipient for a period of two calendar years from the date of the grant.

"SEC. 590. STATE APPLICATIONS.

''(a) IN GENERAL.—Any State desiring to receive a grant under this subpart shall, through the State educational agency, submit an application at such time, in such manner, and containing such information, as the Secretary may reasonably require.

''(b) REQUIREMENTS.—Each application shall—

''(1) describe the programs, projects, and activities to be undertaken; and

''(2) contain such assurances as the Secretary considers necessary, including assurances that—

''(A) assistance provided to the State educational agency under this subpart will be used to supplement, and not to supplant, any State or local funds available for the development and implementation of programs to provide alternative routes to fulfilling teacher certification or licensure requirements;

''(B) the State educational agency has, in developing and designing the application, consulted with—

''(i) representatives of local educational agencies, including superintendents and school board members, including representatives of their professional organizations where applicable;

''(ii) elementary and secondary school teachers, including representatives of their professional organizations;

''(iii) institutions of higher education with schools or departments of education;

''(iv) parents; and

''(v) other interested organizations and individuals; and

''(C) the State educational agency will submit to the Secretary, at such time as the Secretary may specify, a final report describing the activities carried out with assistance provided under this part and the results achieved.

''(c) GEPA PROVISIONS INAPPLICABLE.—Sections 435 and 436 of the General Education Provisions Act, except to the extent that such sections relate to fiscal control and fund accounting procedures, shall not apply to this part.

"SEC. 591. USE OF FUNDS.

''(a) IN GENERAL.—(1) A State educational agency shall use assistance provided under this subpart to support programs, projects, or activities that develop and implement

new, or expand and improve existing, programs that enable individuals to move to a career in education from another occupation through an alternative route to teacher certification or licensure.

''(2) A State educational agency may carry out such programs, projects, or activities directly, through contracts, or through grants to local educational agencies, intermediate educational agencies, institutions of higher education, or consortia of such agencies.

''(b) USES OF FUNDS.—Funds received under this subpart may be used for—

''(1) the design, development, implementation, and evaluation of programs that enable qualified professionals who have demonstrated a high level of subject area competence outside the education profession and are interested in entering the education profession to fulfill State certification or licensure requirements;

''(2) the establishment of administrative structures necessary for the development and implementation of programs to provide alternative routes to fulfilling State requirements for certification or licensure;

''(3) training of staff, including the development of appropriate support programs, such as mentor programs, for teachers entering the school system through alternative routes to teacher certification or licensure;

''(4) the development of recruitment strategies;

''(5) the development of reciprocity agreements between or among States for the certification or licensure of teachers; and

''(6) other appropriate programs, projects, and activities designed to meet the objectives of this part.

"SEC. 592. COORDINATION REQUIREMENT.

''As appropriate, State educational agencies receiving assistance under this subpart shall coordinate activities with those undertaken pursuant to subpart 6 of this title.

"SEC. 593. DEFINITION.

''For purposes of this subpart, the term 'State' means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, and Palau (until the Compact of Free Association with Palau takes effect pursuant to section 101(a) of Public Law 99–658).

"Subpart 8—Training for Teachers of Drug-Exposed Children

"SEC. 594. PROGRAM AUTHORIZED.

''(a) GENERAL AUTHORITY.—From the funds appropriated to carry out this subpart, the Secretary may make grants to schools of education at institutions of higher education to support the development and instruction in the use of curricula and instructional materials that provide teachers and other education personnel with effective strategies for educating drug-exposed children. In selecting schools for receipt of grants under this subpart, the Secretary shall give priority to schools located in or near communities with a significant drug problem as indicated by a large number or rate of—

''(1) arrests for, or while under the influence of drugs;

''(2) infants born prenatally exposed to drugs;

''(3) drug-exposed children of preschool or school age; or

''(4) other appropriate data, as determined by the Secretary.

''(b) CONDITIONS FOR GRANT ASSISTANCE.—Any recipient of a grant under this section shall agree, as a condition to receipt of such grant, to disseminate the curricula and materials developed with funds provided under this subpart by either or both of the following methods:

''(1) Instruction of teachers and other education personnel from schools within the State in which the grant recipient is located.

''(2) Designation of personnel of the grant recipient to serve as consultants to such schools for the dissemination of such curricula and materials.

''(c) CLEARINGHOUSE.—(1) The Secretary shall establish a clearinghouse to compile and make available the curricula and instructional materials developed with funds provided under this subpart. The clearinghouse shall make available—

''(A) implementable curriculum plans for educational personnel in classroom and other school settings;

''(B) curriculum plans for schools of education in institutions of higher education that describe drug-exposed children's characteristics and strategies for educating drug-exposed children; and

''(C) other information concerning the characteristics of drug-exposed children and effective strategies for educating such children.

''(2) The Secretary shall consult with the Secretary of Health and Human Services concerning the curricula, materials, and information to be made available through the clearinghouse. The Secretary shall effectively notify State and local educational agencies concerning the availability of such curricula, materials, and information from the clearinghouse.

"Subpart 9—Teacher Recruitment and Placement

"SEC. 594A. PROGRAM AUTHORIZED.

''(a) GRANTS AUTHORIZED.—The Secretary is authorized, in accordance with the provisions of this subpart, to make grants to institutions of higher education with schools or departments of education to pay the Federal share of developing and carrying out programs designed to—

''(1) recruit, prepare, and train students to become elementary and secondary school teachers; and

''(2) place the students as teachers in urban and rural public or private nonprofit elementary or secondary schools where at least 50 percent of students enrolled are from minority groups.

''(b) SPECIAL CONSIDERATION.—The Secretary is authorized, in making grants under this subpart, to give special consideration to historically Black colleges and universities.

"SEC. 594B. USE OF FUNDS.

''Grants under this subpart may be used for the costs of developing and carrying out the program of teacher recruitment, preparation, training, and placement described in section 594A.

"SEC. 594C. APPLICATION.

''No grant may be made under this subpart unless an application is made by the institution of higher education at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require.

"SEC. 594D. FEDERAL SHARE.

''(a) IN GENERAL.—Except as provided in subsection (b), the Federal share for each fiscal year shall be 75 percent.

''(b) PERFORMANCE INCENTIVE.—In any fiscal year beginning after September 30, 1993, the Secretary may, based upon evaluation and monitoring of programs assisted under this subpart, increase the Federal share for a recipient of funds under this subpart for the succeeding fiscal year to 85 percent, if the Secretary determines that there is demonstrated success in the operation of the program assisted by such recipient.

"Subpart 10—Partnerships for Encouraging Minority Students to Become Teachers

"SEC. 595A. PROGRAM AUTHORIZED.

''(a) IN GENERAL.—The Secretary is authorized, in accordance with the provisions of this subpart, to make grants to partnerships comprised of institutions of higher education and local educational agencies for developing and carrying out programs designed to identify and encourage minority students in the 7th through the 12th grades to aspire to, and to prepare for, careers in elementary and secondary school teaching.

''(b) CONSORTIA GRANTS AUTHORIZED.—The Secretary is authorized in accordance with this subpart, to make grants to consortia of institutions of higher education which have a demonstrated record and special expertise in the program authorized by this subpart and have entered a partnership agreement in accordance with section 595B.

''(c) SELECTION CRITERIA.—In making grants under this subpart, the Secretary shall approve applications which contain provision for projects designed to carry out the purposes described in subsection (a) and which include—

''(1) college entry preparation;

''(2) remedial programs;

''(3) teaching mentors;

''(4) motivational activities;

''(5) tutoring;

''(6) teaching skill development;

''(7) future teacher clubs;

''(8) guidance in curriculum selection; and

''(9) instruction in test-taking skills.

"SEC. 595B. PARTNERSHIP AGREEMENT.

''(a) IN GENERAL.—To be eligible for a grant under this subpart, an institution of higher education and a local educational agency must enter into a written partnership agreement. A partnership may include other public agencies or private organizations. All partners shall sign the agreement.

''(b) CONTENTS OF AGREEMENT.—The agreement shall include—

''(1) a listing of all participants in the partnership;

''(2) a description of the responsibilities of each participant in the partnership; and

''(3) a listing of the resources, if any, to be contributed to the partnership.

"SEC. 595C. APPLICATION.

''(a) APPLICATION REQUIRED.—A partnership desiring to receive a grant under this subpart shall submit an application to the Secretary.

''(b) CONTENTS OF APPLICATION.—The application shall include—

''(1) the written and signed partnership agreement required by section 595B;

''(2) a listing of the elementary, if applicable, and secondary schools of the local educational agency to be involved in the program assisted under this subpart; and

''(3) a description of the services and activities to be offered under the program assisted under this subpart; and

''(4) such additional information and assurances as the Secretary may reasonably require.

"Subpart 11—Veterans Teacher Corps

"SEC. 596A. STATEMENT OF PURPOSE.

''It is the purpose of this subpart to provide assistance to local educational agencies to establish programs to inform United States military veterans of teaching opportunities and to provide assistance in the establishment of teaching opportunities for the individuals described in this section.

"SEC. 596B. VETERANS TEACHER CORPS AUTHORIZED.

''(a) PROGRAM AUTHORIZED.—The Secretary is authorized, in accordance with the provisions of this subpart, to make grants to local educational agencies to conduct Veterans Teachers Corps activities.

''(b) ACTIVITIES AUTHORIZED.—Grants under this subpart may be used, in accordance with applications approved under section 596C for—

''(1) planning and implementation of informational and outreach programs leading to the development of programs specifically de-

signed to inform United States military veterans about teaching opportunities and the qualifications necessary for such opportunities;

''(2) planning and implementation of programs leading to the creation of teaching opportunities for such veterans;

''(3) support for programs to assist such veterans and to meet the qualifications to become teachers;

''(4) disseminating information on the Veterans Teacher Corps program and on sources of students financial assistance available under title IV of this Act and under programs administered by the Department of Veterans Affairs and other Federal agencies; and

''(5) from not more than 65 percent of the funds received under this subpart, make scholarships available to such military veterans under the same terms and conditions specified in subpart 1 of part B of this subtitle.

''SEC. 596C. APPLICATIONS.

''Each local educational agency desiring a grant under this subpart shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require. Each such application shall—

''(1) describe the local educational agency's plan for disseminating information regarding teaching opportunities and necessary qualifications;

''(2) provide an estimate of the number of United States military veterans in the jurisdiction of the agency;

''(3) describe any commitments of support for the program from United States military veterans groups;

''(4) describe in detail the activities to be supported with the grant, including, the specific identification of the personnel to administer the program, the procedures to be used, in awarding scholarships under this subpart, the methodologies to be used for information dissemination, and a timetable for implementation of the program; and

''(5) contain such other assurances and other information as the Secretary may reasonably require.

''SEC. 596D. LIMITATIONS ON AMOUNT AND DURATION OF ASSISTANCE.

''Each grant awarded pursuant to this subpart to establish and operate a Veterans Teacher Corps program shall be for a period of 5 years and shall be for not less than $250,000 for each fiscal year.

''SEC. 596E. PRIORITY IN AWARDS.

''In awarding grants under this subpart, the Secretary shall give priority to applications evidencing commitments of support for the program from veterans and teacher organizations in the jurisdiction of the applicant.

''SEC. 596F. REPORTS AND INFORMATION.

''Each recipient of funds under this subpart shall provide the Secretary with a report and detailed description of the activities supported with funds received. Such report shall include an evaluation of the success of the program and such recommendations as the grantee deems appropriate.

''PART D—FOREIGN LANGUAGE INSTRUCTION

''Subpart 1—Demonstration Grants for Critical Language and Area Studies

''SEC. 597A. DEMONSTRATION GRANTS FOR CRITICAL LANGUAGE AND AREA STUDIES.

''(a) PROGRAM AUTHORITY.—The Secretary is authorized to make demonstration grants to eligible consortia to enable such eligible consortia to—

''(1) operate critical language and area studies programs;

''(2) develop and acquire educational equipment and materials; and

''(3) develop teacher training programs, texts, curriculum, and other activities designed to improve and expand the instruction of foreign languages at elementary and secondary schools across the Nation.

''(b) GRANT LIMITATION.—The Secretary shall not award a grant which exceeds $2,000,000 to an eligible consortium under this section in any fiscal year, but shall award grants of sufficient size, scope and quality for a program of comprehensive instruction of foreign languages.

''(c) SPECIAL RULES.—

''(1) PRIORITY.—In awarding grants under this section, the Secretary shall give priority to eligible consortia with demonstrated, proven effectiveness in the field of critical language and area studies and which have been in existence for at least 1 year prior to applying for a grant under this section.

''(2) EQUITABLE DISTRIBUTION.—In awarding grants under this section, the Secretary shall take into consideration providing an equitable geographic distribution of such grants among the regions of the United States.

''(3) PROGRAM REQUIREMENT.—Each eligible consortium receiving a grant under this section shall include in the activities assisted pursuant to such grant, a study abroad or cultural exchange program.

''(d) ELIGIBLE CONSORTIUM.—

''(1) IN GENERAL.—For the purposes of this section, the term 'eligible consortium' means a cooperative effort between entities in one or more States that must include at least 4 schools, of which—

''(A) one shall be an institution of higher education;

''(B) one shall be a secondary school with experience in teaching critical languages;

''(C) one shall be a secondary school with experience in teaching critical languages and in which at least 25 percent of the students are eligible to be counted under chapter 1 of title I of the Elementary and Secondary Education Act of 1965; and

''(D) one shall be a secondary school in which at least 25 percent of the students are eligible to be counted under chapter 1 of title I of the Elementary and Secondary Education Act of 1965.

''(2) NONPROFIT ORGANIZATIONS.—Each eligible consortium described in paragraph (1) may include a nonprofit organization to provide services not otherwise available from the entities described in paragraph (1).

''(e) ADMINISTRATION.—Each eligible consortium receiving a grant under this section may use not more than 10 percent of such grant for administrative expenses.

''(f) APPLICATION.—

''(1) IN GENERAL.—Except as provided in paragraph (2), each eligible consortium desiring a grant under this section shall submit an application to the Secretary at such time, in such manner and accompanied by such information as the Secretary may reasonably require.

''(2) SPECIAL RULE.—The State educational agency or State higher education agency responsible for the supervision of any one school participating in an eligible consortium may submit the application described in paragraph (1) on behalf of such eligible consortium.

''(g) DEFINITIONS.—For purposes of this section the term 'critical language' means each of the languages contained in the list of critical foreign languages designated by the Secretary pursuant to section 212(d) of the Education for Economic Security Act (50 Federal Register 149, 31413).

''Subpart 2—Development of Foreign Language and Culture Instructional Materials

''SEC. 597B. DEVELOPMENT OF FOREIGN LANGUAGE AND CULTURE INSTRUCTIONAL MATERIALS.

''(a) GRANTS AUTHORIZED.—The Secretary of Education is authorized to provide grants on a competitive basis to qualified State and local educational agencies, institutions of higher education, private nonprofit foreign language organization, nonprofit education associations, or a consortium thereof, to enable such entity or entities to act as a resource center for—

''(1) coordinating the development of and disseminating foreign language and culture instructional material, including children's literature in foreign languages, videotapes and computer software, and teacher's instructional kits relating to international study; and

''(2) encouraging the expanded use of technology in teaching foreign languages and culture at the elementary school level and, when the needs of elementary schools have been met, at the secondary school level, with a particular emphasis on expanding the use of technology in teaching foreign languages and culture at elementary and secondary schools that have proportionally fewer resources available for teaching foreign languages and cultures, including schools in urban and rural areas.

''(b) COORDINATION.—In developing materials and technologies under this section, the Secretary shall, where appropriate, make use of materials and technologies developed under the Star Schools Assistance Program Act.''.

(b) EXPIRATION DATE.—Effective July 1, 1995, the Alternative Routes to Teacher Certification and Licensure Act of 1991 (as contained in subpart 7 of part C of title V of the Higher Education Act of 1965) is repealed.

TITLE VI—INTERNATIONAL EDUCATION PROGRAMS

SEC. 601. REVISION OF TITLE VI.

Title VI of the Act is amended to read as follows:

''TITLE VI—INTERNATIONAL EDUCATION PROGRAMS

''PART A—INTERNATIONAL AND FOREIGN LANGUAGE STUDIES

''SEC. 601. FINDINGS AND PURPOSES.

''(a) FINDINGS.—The Congress finds that—

''(1) the well-being of the United States, its economy and long-range security, is dependent on the education and training of Americans in international and foreign language studies and on a strong research base in these areas;

''(2) knowledge of other countries and the ability to communicate in other languages is essential to the promotion of mutual understanding and cooperation among nations; and

''(3) present and future generations of Americans must be afforded the opportunity to develop to the fullest extent possible their intellectual capacities in all areas of knowledge.

''(b) PURPOSES.—It is the purpose of this part to assist in the development of knowledge, international study, resources and trained personnel, to stimulate the attainment of foreign language acquisition and fluency, to develop a pool of international experts to meet national needs, and to coordinate the programs of the Federal Government in the areas of foreign language, area and other international studies, including professional international affairs education and research.

''SEC. 602. GRADUATE AND UNDERGRADUATE LANGUAGE AND AREA CENTERS.

''(a) NATIONAL LANGUAGE AND AREA CENTERS AUTHORIZED.—(1) The Secretary is authorized—

''(A) to make grants to institutions of higher education, or combinations thereof, for the purpose of establishing, strengthening, and operating comprehensive language and area centers and programs; and

''(B) to make grants to such institutions or combinations for the purpose of establishing,

strengthening, and operating a diverse network of undergraduate language and area centers and programs,

which will be national resources for teaching of any modern foreign language, for instruction in fields needed to provide full understanding of areas, regions, or countries in which such language is commonly used, for research and training in international studies, and the international and foreign language aspects of professional and other fields of study, and for instruction and research on issues in world affairs which concern one or more countries.

''(2) AUTHORIZED ACTIVITIES.—Any such grant may be used to pay all or part of the cost of establishing or operating a center or program, including—

''(A) the cost of faculty, staff, and student travel in foreign areas, regions, or countries,

''(B) the cost of teaching and research materials,

''(C) the cost of curriculum planning and development,

''(D) the cost of bringing visiting scholars and faculty to the center to teach or to conduct research,

''(E) the cost of establishing and maintaining linkages with overseas institutions of higher education and other organizations that may contribute to the educational objectives of this section for the purpose of contributing to the teaching and research of the center or program,

''(F) the cost of training and improvement of the staff, for the purpose of, and subject to such conditions as the Secretary finds necessary, for carrying out the objectives of this section, and

''(G) subject to such conditions as the Secretary finds necessary, for carrying out the objectives of this section.

''(3) GRANTS TO MAINTAIN LIBRARY COLLECTIONS.—The Secretary may make grants to centers described in paragraph (1)(A) having important library collections for the maintenance of such collections.

''(4) OUTREACH GRANTS AND SUMMER INSTITUTES.—The Secretary may make additional grants to centers designated in paragraph (1)(A) for any one or combination of the following purposes:

''(A) Programs of linkage or outreach between foreign language, area studies, and other international fields and professional schools and colleges.

''(B) Programs of linkage or outreach with 2 and 4-year colleges and universities.

''(C) Programs of linkage or outreach with departments or agencies of State and Federal Governments.

''(D) Programs of linkage or outreach with the news media, business, professional, or trade associations.

''(E) Summer institutes in foreign area and other international fields designed to carry out the programs of linkage and outreach in subparagraphs (A), (B), (C), and (D) of this paragraph.

''(b) STIPENDS FOR FOREIGN LANGUAGE AND AREA STUDIES.—

''(1)(A) GRADUATE STIPENDS.—The Secretary is authorized to make grants to institutions of higher education or combinations of such institutions for the purpose of paying stipends to individuals undergoing advanced training in any center or program approved by the Secretary under this part.

''(B) Stipend recipients shall be individuals who are engaged in an instructional program with stated performance goals for functional foreign language use or in a program developing such performance goals, in combination with area studies, international studies, or the international aspects of a professional studies program.

''(C) Stipends awarded to graduate level recipients may include allowances for dependents and for travel for research and study in the United States and abroad.

''(2) DOCTORAL STIPENDS.—(A) The Secretary is authorized to make grants to institutions of higher education or combinations of such institutions for the purpose of paying stipends to students beginning with their third year of graduate training in any center or program approved by the Secretary under this part.

''(B) Stipends recipients shall be individuals engaged in completing advanced degree requirements in foreign language, foreign area studies, or other international fields.

''(C) Stipends shall be for the purpose of completing degree requirements, such as the predissertation level studies, preparation for dissertation research including the study of less commonly taught languages, dissertation research abroad, and dissertation writing.

''(D) Stipends may be held up to a maximum of 4 years contingent upon satisfactory progress towards completion of the degree program.

''(3) FUNDING LIMITATIONS.—The Secretary is not authorized to make awards under paragraph (2) for any fiscal year unless the amount made available under paragraph (1) for such fiscal year equals or exceeds the current services equivalent of the level of funding during fiscal year 1991 under paragraph (1).

''(c) SPECIAL RULE WITH RESPECT TO TRAVEL.—No funds may be expended under this part for undergraduate travel except in accordance with rules prescribed by the Secretary setting forth policies and procedures to assure that Federal funds made available for such travel are expended as part of a formal program of supervised study.

''SEC. 603. LANGUAGE RESOURCE CENTERS.

''(a) LANGUAGE RESOURCES CENTERS AUTHORIZED.—The Secretary is authorized to make grants to and enter into contracts with institutions of higher education, or combinations of such institutions, for the purpose of establishing, strengthening, and operating a limited number of national language resource and training centers, which shall serve as resources to improve the capacity to teach and learn foreign languages effectively. Activities carried out by such centers may include—

''(1) the conduct of research on new and improved teaching methods, including the use of advanced educational technology;

''(2) the development of new teaching materials reflecting the use of such research in effective teaching strategies;

''(3) the development and application of performance testing appropriate to an educational setting for use as a standard and comparable measurement of skill levels in all languages;

''(4) the training of teachers in the administration and interpretation of performance tests, the use of effective teaching strategies, and the use of new technologies;

''(5) the publication of instructional materials in the less commonly taught languages; and

''(6) the widespread dissemination of research results, teaching materials, and improved pedagogical strategies to others within the postsecondary education community.

''(b) CONDITIONS FOR GRANTS.—Grants under this section shall be made on such conditions as the Secretary determines to be necessary to carry out the provisions of this section.

''SEC. 604. UNDERGRADUATE INTERNATIONAL STUDIES AND FOREIGN LANGUAGE PROGRAMS.

''(a) INCENTIVES FOR THE CREATION OF UNDERGRADUATE INTERNATIONAL STUDIES AND FOREIGN LANGUAGE PROGRAMS.—(1) The Secretary is authorized to make grants to institutions of higher education, or combinations of such institutions, to assist them in planning, developing, and carrying out a program to improve undergraduate instruction in international studies and foreign languages. These grants shall be awarded to institutions seeking to create new programs or curricula in area studies, foreign languages, and other international fields. Grants made under this section may be used to pay up to 50 percent of the cost of projects and activities which are an integral part of such a program, such as—

''(A) planning for the development and expansion of undergraduate programs in international studies;

''(B) teaching, research, curriculum development, and other related activities;

''(C) training of faculty members in foreign countries;

''(D) expansion of foreign language courses;

''(E) programs under which foreign teachers and scholars may visit institutions as visiting faculty;

''(F) international education programs designed to develop or enhance linkages between two and four year institutions of higher education, or baccalaureate and post-baccalaureate programs or institutions;

''(G) the development of an international dimension in preservice and inservice teacher training;

''(H) the development of undergraduate study abroad programs in locations abroad in which such study opportunities are not otherwise available or which serve students for whom such opportunities are not otherwise available and which provide courses that are closely related to on-campus foreign language and international studies curricula; and

''(I) the integration of new study abroad opportunities for undergraduate students into curricula of specific degree programs.

''(2) The non-Federal share of the cost of the programs funded under this subsection may be provided either in cash or in-kind. Such assistance may be composed of institutional and noninstitutional funds, including State and private contributions.

''(3) Priority shall be given to those institutions that require entering students to have successfully completed at least 2 years of secondary school foreign language instruction or that require each graduating student to earn 2 years of postsecondary credit in a foreign language (or have demonstrated equivalent competence in the foreign language) or, in the case of a two-year degree granting institution, offer 2 years of postsecondary credit in a foreign language.

''(b) GRANTS TO STRENGTHEN PROGRAM OF DEMONSTRATED EXCELLENCE IN UNDERGRADUATE INTERNATIONAL STUDIES AND FOREIGN LANGUAGE PROGRAMS.—(1) The Secretary is authorized to make grants to institutions of higher education or combinations of such institutions for strengthening programs of demonstrated excellence in area studies, foreign languages, and other international fields in order to ensure their self-sustaining maintenance and growth. These grants shall enhance the capacity-building and dissemination functions of existing programs. Grants made under this subsection may be used to pay up to 50 percent of the cost of project and activities which are an integral part of such a program, such as—

''(A) teaching, research, curriculum development, and other related activities;

''(B) strengthening undergraduate major and minors directly related to the generation of international expertise;

''(C) developing new foreign language courses, especially in those languages previously not taught at the institutions, and improving the quality of existing foreign language programs;

''(D) expanding library and teaching resources;

''(E) establishing linkages overseas with institutions of higher education and organizations that contribute to the educational objectives of this subsection;

''(F) developing programs designed to integrate professional and technical education with area studies, foreign languages, and other international fields;

''(G) disseminating curricular materials and program designs to other educational institutions;

''(H) integrating on-campus undergraduate curriculum with study abroad and exchange programs;

''(I) developing study and internship abroad programs in locations in which such study opportunities are not otherwise available or study abroad opportunities which serve students for whom such opportunities are not otherwise available;

''(J) training faculty and staff in area studies, foreign languages, and other international fields; and

''(K) conducting summer institutes in foreign area and other international fields to provide faculty and curriculum development, including the integration of professional and technical education with foreign area and other international knowledge or skills to government personnel or private sector professionals involved in international activities.

''(2) As a condition for the award of any grant under this subsection, the Secretary may establish criteria for evaluating programs and require an annual report which evaluates the progress and performance of students in such programs.

''(3) The non-Federal share of the cost of the programs funded under this subsection may be provided either in cash or in-kind. Such assistance may be composed of institutional and noninstitutional funds, including State and private contributions.

''(c) PROGRAMS OF NATIONAL SIGNIFICANCE.—The Secretary may also make grants to public and private nonprofit agencies and organizations, including professional and scholarly associations, whenever the Secretary determines such grants will make an especially significant contribution to attaining the objective of this section.

''SEC. 605. INTENSIVE SUMMER LANGUAGE INSTITUTES.

''(a) INTENSIVE SUMMER LANGUAGE INSTITUTES AUTHORIZED.—(1) The Secretary is authorized to make grants to institutions of higher education, or combinations of such institutions, for the purpose of establishing and conducting intensive summer language institutes.

''(2) ELIGIBLE GRANT RECIPIENTS.—Training authorized by this section shall be provided through—

''(A) institutes designed to meet the needs for intensive language training by advanced foreign language students;

''(B) institutes designed to provide professional development and improve language instruction through preservice and inservice training for language teachers; or

''(C) institutes that combine the purposes of subparagraphs (A) and (B).

''(3) AUTHORIZED ACTIVITIES.—Grants made under this section may be used for—

''(A) intensive training in critical languages;

''(B) training in neglected languages; and

''(C) stipends for students and faculty attending the institutes authorized by this section.

''(4) INSTRUCTIONAL PROGRAM.—Institutes supported under this section may provide instruction on a full-time or part-time basis to supplement instruction not fully available in centers supported under section 602.

''(b) PEER REVIEW.—Grants made under this section shall be awarded on the basis of recommendations made by peer review panels composed of broadly representative professionals.

''SEC. 606. RESEARCH; STUDIES; ANNUAL REPORT.

''(a) AUTHORIZED ACTIVITIES.—The Secretary may, directly or through grants or contracts, conduct research and studies which contribute to the purposes of this part. Such research and studies may include but are not limited to—

''(1) studies and surveys to determine needs for increased or improved instruction in foreign language, area studies, or other international fields, including the demand for foreign language, area, and other international specialists in government, education, and the private sector;

''(2) studies and surveys to assess the utilization of graduates of programs supported under this title by governmental, educational, and private sector organizations and other studies assessing the outcomes and effectiveness of programs so supported;

''(3) comparative studies of the effectiveness of strategies to provide international capabilities at institutions of higher education;

''(4) research on more effective methods of providing instruction and achieving competency in foreign languages;

''(5) the development and publication of specialized materials for use in foreign language, area studies, and other international fields, or for training foreign language, area, and other international specialists; and

''(6) the application of performance tests and standards across all areas of foreign language instruction and classroom use.

''(b) ANNUAL REPORT.—The Secretary shall prepare, publish, and announce an annual report listing the books and research materials produced with assistance under this title.

''SEC. 607. PERIODICALS AND OTHER RESEARCH MATERIALS PUBLISHED OUTSIDE THE UNITED STATES.

''(a) PROGRAM AUTHORIZED.—In addition to the amount authorized to be appropriated by section 610, there are authorized to be appropriated $8,500,000 for fiscal year 1993, and such sums as may be necessary for the 4 succeeding fiscal years to provide assistance for the acquisition of, and provision of access to, periodicals and other research materials published outside the United States.

''(b) AUTHORIZED ACTIVITIES.—From the amount appropriated under subsection (a) for any fiscal year, the Secretary shall make grants to institutions of higher education or public or nonprofit private library institutions or consortia of such institutions for the following purposes:

''(1) to acquire periodicals and other research materials published outside the United States which are not commonly held by American academic libraries and which are of scholarly or research importance;

''(2) to maintain in machine-readable form current bibliographic information on periodicals and other research materials thus acquired, and to enter such information into one or more of the widely available bibliographic data bases;

''(3) to preserve such periodicals and other research materials; and

''(4) to make such periodicals and other research materials widely available to researchers and scholars.

''(c) LIMITATIONS.—(1) The Secretary shall evaluate grant applications and award grants according to the following criteria:

''(A) the total number of library research materials in an institution's collection;

''(B) the comprehensiveness, both current and retrospective, of the institution's collection of periodicals and other research materials published outside the United States;

''(C) public accessibility to the institution's collection of periodicals and other research materials published outside the United States;

''(D) the institution's technological capability to share its collection of periodicals and other research materials published outside the United States with other institutions of higher education, with public or nonprofit institutions, and with individual scholars; and

''(E) the institution's budget and staff capability to build, maintain, and service periodicals and other research materials published outside the United States.

''(2) The Secretary shall award no more than 8 grants from the amounts appropriated under subsection (a).

''(d) WRITTEN AGREEMENT.—(1) Prior to the awarding of grants authorized under subsection (c), the recipient institution must file a formal written agreement with the Secretary which outlines their collecting responsibilities regarding periodicals and other research materials published outside the United States and ensures public access.

''(2) No funds from grants authorized under subsection (c) may be used by a recipient institution to acquire and process periodicals and other research materials published outside the United States other than that specified in the agreement filed with the Secretary under paragraph (1).

''(e) COPYRIGHT.—Nothing in this section shall be considered to amend, affect, or define the provisions of title 17, United States Code, relating to copyright.

''SEC. 608. SELECTION OF GRANT RECIPIENTS.

''(a) COMPETITIVE GRANTS.—The Secretary shall award grants under section 602 competitively on the basis of criteria that separately, but not less rigorously, evaluate the applications for comprehensive and undergraduate language and area centers and programs.

''(b) SELECTION CRITERIA.—The Secretary shall set criteria for grants awarded under section 602 by which a determination of excellence shall be made to meet the differing objectives of graduate and undergraduate institutions.

''(c) EQUITABLE DISTRIBUTION OF GRANTS.—The Secretary shall, to the extent practicable, award grants under this part (other than section 602) in such manner as to achieve an equitable distribution of funds throughout the Nation, based on the merit of a proposal with peer review by broadly representative professionals.

''SEC. 609. EQUITABLE DISTRIBUTION OF FUNDS.

''(a) SELECTION CRITERIA.—The Secretary shall make excellence the criterion for selection of grants awarded under section 602.

''(b) EQUITABLE DISTRIBUTION.—To the extent practicable and consistent with the criterion of excellence, the Secretary shall award grants under this part (other than section 602) in such a manner as will achieve an equitable distribution of funds throughout the Nation.

''(c) SUPPORT FOR UNDERGRADUATE EDUCATION.—The Secretary shall also award grants under this part in such manner as to ensure that an appropriate portion of funds are used to support undergraduate education.

''SEC. 610. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this part $100,000,000 for fiscal year 1993, and such sums as may be necessary for the 4 succeeding fiscal years.

''PART B—BUSINESS AND INTERNATIONAL EDUCATION PROGRAMS

''SEC. 611. FINDINGS AND PURPOSES.

''(a) FINDINGS.—The Congress finds that—

''(1) the future economic welfare of the United States will depend substantially on

increasing international skills in the business and educational community and creating an awareness among the American public of the internationalization of our economy;

''(2) concerted efforts are necessary to engage business schools, language and area study programs, professional international affairs education programs, public and private sector organizations, and United States business in a mutually productive relationship which benefits the Nation's future economic interests;

''(3) few linkages presently exist between the manpower and information needs of United States business and the international education, language training and research capacities of institutions of higher education in the United States, and public and private organizations; and

''(4) organizations such as world trade councils, world trade clubs, chambers of commerce and State departments of commerce are not adequately used to link universities and business for joint venture exploration and program development.

''(b) PURPOSES.—It is the purpose of this part—

''(1) to enhance the broad objective of this Act by increasing and promoting the Nation's capacity for international understanding and economic enterprise through the provision of suitable international education and training for business personnel in various stages of professional development; and

''(2) to promote institutional and non-institutional educational and training activities that will contribute to the ability of United States business to prosper in an international economy.

"SEC. 612. CENTERS FOR INTERNATIONAL BUSINESS EDUCATION.

''(a) PROGRAM AUTHORIZED.—The Secretary is authorized to make grants to institutions of higher education, or combinations of such institutions, to pay the Federal share of the cost of planning, establishing and operating centers for international business education which—

''(1) will be national resources for the teaching of improved business techniques, strategies, and methodologies which emphasize the international context in which business is transacted,

''(2) will provide instruction in critical foreign languages and international fields needed to provide understanding of the cultures and customs of United States trading partners, and

''(3) will provide research and training in the international aspects of trade, commerce, and other fields of study.

In addition to providing training to students enrolled in the institution of higher education in which a center is located, such centers shall serve as regional resources to businesses proximately located by offering programs and providing research designed to meet the international training needs of such businesses. Such centers shall also serve other faculty, students, and institutions of higher education located within their region.

''(b) AUTHORIZED EXPENDITURES.—Each grant made under this section may be used to pay the Federal share of the cost of planning, establishing or operating a center, including the cost of—

''(1) faculty and staff travel in foreign areas, regions, or countries,

''(2) teaching and research materials,

''(3) curriculum planning and development,

''(4) bringing visiting scholars and faculty to the center to teach or to conduct research, and

''(5) training and improvement of the staff, for the purpose of, and subject to such conditions as the Secretary finds necessary for, carrying out the objectives of this section.

''(c) REQUIRED ACTIVITIES.—(1) Programs and activities to be conducted by centers assisted under this section shall include—

''(A) interdisciplinary programs which incorporate foreign language and international studies training into business, finance, management, communications systems, and other professional curricula;

''(B) interdisciplinary programs which provide business, finance, management, communications systems, and other professional training for foreign language and international studies faculty and advanced degree candidates;

''(C) evening or summer programs, such as intensive language programs, available to members of the business community and other professionals which are designed to develop or enhance their international skills, awareness, and expertise;

''(D) collaborative programs, activities, or research involving other institutions of higher education, local educational agencies, professional associations, businesses, firms, or combinations thereof, to promote the development of international skills, awareness, and expertise among current and prospective members of the business community and other professionals;

''(E) research designed to strengthen and improve the international aspects of business and professional education and to promote integrated curricula; and

''(F) research designed to promote the international competitiveness of American businesses and firms, including those not currently active in international trade.

''(2) PERMISSIBLE ACTIVITIES.—Programs and activities to be conducted by centers assisted under this section may include—

''(A) the establishment of overseas internship programs for students and faculty designed to provide training and experience in international business activities, except that no Federal funds provided under this section may be used to pay wages or stipends to any participant who is engaged in compensated employment as part of an internship program;

''(B) other eligible activities prescribed by the Secretary; and

''(C) the establishment of linkages overseas with institutions of higher education and other organizations that contribute to the educational objectives of this section;

''(D) summer institutes in international business, foreign area studies, and other international studies designed to carry out the purposes of paragraph (1) of this subsection; and

''(E) the development of opportunities for business students to study abroad in locations which are important to the existing and future economic well-being of the United States.

''(d) ADVISORY COUNCIL.—(1) In order to be eligible for assistance under this section, an institution of higher education, or combination of such institutions, shall establish a center advisory council which will conduct extensive planning prior to the establishment of a center concerning the scope of the center's activities and the design of its programs.

''(2) MEMBERSHIP ON ADVISORY COUNCIL.—The Center Advisory Council shall include—

''(A) one representative of an administrative department or office of the institution of higher education;

''(B) one faculty representative of the business or management school or department of such institution;

''(C) one faculty representative of the international studies or foreign language school or department of such institution;

''(D) one faculty representative of another professional school or department of such institution, as appropriate;

''(E) one or more representative of local or regional businesses or firms;

''(F) one representative appointed by the Governor of the State in which the institution of higher education is located whose normal responsibilities include official oversight or involvement in State-sponsored trade-related activities or programs; and

''(G) such other individuals as the institution of higher education deems appropriate.

''(3) MEETINGS.—In addition to the initial planning activities required under subsection (d)(1), the center advisory council shall meet not less than once each year after the establishment of the center to assess and advise on the programs and activities conducted by the center.

''(e) GRANT DURATION; FEDERAL SHARE.—

''(1) DURATION OF GRANTS.—The Secretary shall make grants under this section for a minimum of 3 years unless the Secretary determines that the provision of grants of shorter duration is necessary to carry out the objectives of this section.

''(2) FEDERAL SHARE.—The Federal share of the cost of planning, establishing and operating centers under this section shall be—

''(A) not more than 90 percent for the first year in which Federal funds are furnished,

''(B) not more than 70 percent for the second such year, and

''(C) not more than 50 percent for the third such year and for each such year thereafter.

''(3) NON-FEDERAL SHARE.—The non-Federal share of the cost of planning, establishing, and operating centers under this section may be provided either in cash or in-kind assistance.

''(f) GRANT CONDITIONS.—Grants under this section shall be made on such conditions as the Secretary determines to be necessary to carry out the objectives of this section. Such conditions shall include—

''(1) evidence that the institution of higher education, or combination of such institutions, will conduct extensive planning prior to the establishment of a center concerning the scope of the center's activities and the design of its programs in accordance with subsection (d)(1);

''(2) assurance of ongoing collaboration in the establishment and operation of the center by faculty of the business, management, foreign language, international studies, professional international affairs, and other professional schools or departments, as appropriate;

''(3) assurance that the education and training programs of the center will be open to students concentrating in each of these respective areas, as appropriate; and

''(4) assurance that the institution of higher education, or combination of such institutions, will use the assistance provided under this section to supplement and not to supplant activities conducted by institutions of higher education described in subsection (c)(1).

"SEC. 613. JOINT VENTURING AGREEMENTS.

''(a) PURPOSE.—The purpose of this section is to provide assistance to the Centers for International Business Education and Research in consortia with other institutions of higher education with demonstrated expertise in area studies, foreign language studies, international studies, or global business education in order to utilize such expertise in research, curriculum development, doctoral study, educational exchange programs, or other services for the business community.

''(b) GRANTS AUTHORIZED.—The Secretary is authorized to make grants to the Centers for International Business Education and Research in consortia with an institution or institutions of higher education which have a specialized expertise in area studies, foreign language studies, international studies, or global business education. Of the funds allo-

cated for this section under section 615(a), not more than one-fourth may be allotted to participating centers. The remainder of such funds shall be allotted to partnership institutions. The partnership institution shall provide matching funds, in cash or in kind, of 50 percent of the amount provided from Federal funds. Such match may come from the institution's resources or from the business community.''.

"SEC. 614. EDUCATION AND TRAINING PROGRAMS.

''(a) PROGRAM AUTHORIZED.—The Secretary shall make grants to, and enter into contracts with, institutions of higher education to pay the Federal share of the cost of programs designed to promote linkages between such institutions and the American business community engaged in international economic activity. Each program assisted under this section shall both enhance the international academic programs of institutions of higher education and provide appropriate services to the business community which will expand its capacity to engage in commerce abroad.

''(b) AUTHORIZED ACTIVITIES.—Eligible activities to be conducted by institutions of higher education under this section shall include, but are not limited to—

''(1) innovation and improvement in international education curricula to serve the needs of the business community, including development of new programs for nontraditional, mid-career, or part-time students;

''(2) development of programs to inform the public of increasing international economic interdependence and the role of American business within the international economic system;

''(3) internationalization of curricula at the junior and community college level, and at undergraduate and graduate schools of business;

''(4) development of area studies programs, and interdisciplinary international programs;

''(5) establishment of export education programs through cooperative arrangements with regional and world trade centers and councils, and with bilateral and multilateral trade associations;

''(6) research for and development of specialized teaching materials, including language materials, and facilities appropriate to business-oriented students;

''(7) establishment of student and faculty fellowships and internships for training and education in international business activities;

''(8) development of opportunities for junior business and other professional school faculty to acquire or strengthen international skills and perspectives;

''(9) development of research programs on issues of common interest to institutions of higher education and private sector organizations and associations engaged in or promoting international economic activity;

''(10) the establishment of internships overseas to enable foreign language students to develop their foreign language skills and knowledge of foreign cultures and societies;

''(11) the establishment of linkages overseas with institutions of higher education and organizations that contribute to the educational objectives of this section; and

''(12) summer institutes in international business, foreign area and other international studies designed to carry out the purposes of this section.

''(c) APPLICATIONS.—No grant may be made and no contract may be entered into under the provisions of this section unless an institution of higher education submits an application at such time and in such manner as the Secretary may reasonably require. Each such application shall be accompanied by a copy of the agreement entered into by the institution of higher education with a business enterprise, trade organization or association engaged in international economic activity, or a combination or consortium of such enterprises, organizations or associations, for the purpose of establishing, developing, improving or expanding activities eligible for assistance under subsection (b) of this section. Each such application shall contain assurances that the institution of higher education will use the assistance provided under this section to supplement and not to supplant activities conducted by institutions of higher education described in subsection (b).

''(d) FEDERAL SHARE.—The Federal share under this part for each fiscal year shall not exceed 50 percent of the cost of such program.

"SEC. 615. AUTHORIZATION OF APPROPRIATIONS.

''(a) CENTERS FOR INTERNATIONAL BUSINESS EDUCATION.—There are authorized to be appropriated $12,500,000 for the fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out the provisions of section 612 and section 613.

''(b) EDUCATION AND TRAINING PROGRAMS.—There are authorized to be appropriated $7,500,000 for fiscal year 1993, and such sums as may be necessary for the 4 succeeding fiscal years, to carry out the provisions of section 614.

"PART C—GENERAL PROVISIONS

"SEC. 631. DEFINITIONS.

''(a) DEFINITIONS.—As used in this title—

''(1) the term 'area studies' means a program of comprehensive study of the aspects of a society or societies, including study of its history, culture, economy, politics, international relations and languages;

''(2) the term 'international business' means profit-oriented business relationships conducted across national boundaries and includes activities such as the buying and selling of goods; investments in industries; the licensing of processes, patents and trademarks; and the supply of services;

''(3) the term 'export education' means educating, teaching and training to provide general knowledge and specific skills pertinent to the selling of goods and services to other countries, including knowledge of market conditions, financial arrangements, laws and procedures;

''(4) the term 'internationalization of curricula' means the incorporation of international or comparative perspectives in existing courses of study or the addition of new components to the curricula to provide an international context for American business education;

''(5) the term 'comprehensive language and area center' means an administrative unit of a university that contributes significantly to the national interest in advanced research and scholarship, employs a critical mass of scholars in diverse disciplines related to a geographic concentration, offers intensive language training in languages of its area specialization, maintains important library collections related to the area, and makes training available in language and area studies to a graduate, postgraduate, and undergraduate clientele; and

''(6) the term 'undergraduate language and area center' means an administrative unit of an institution of higher education, including but not limited to 4-year colleges, that contributes significantly to the national interest through the education and training of students who matriculate into advanced language and area studies programs, professional school programs, or incorporates substantial international and foreign language content into baccalaureate degree programs, engages in research, curriculum development and community outreach activities designed to broaden international and foreign language knowledge, employs faculty with strong language, area, and international studies credentials, maintains library holdings, including basic reference works, journals, and works in translation, and makes training available predominantly to undergraduate students;

''(7) the term 'critical languages' means each of the languages contained in the list of critical languages designated by the Secretary pursuant to section 212(d) of the Education for Economic Security Act (50 Fed. Reg. 149, 31413), except that, in the implementation of this definition, the Secretary may set priorities according to the purposes of this title; and

''(8) the term 'institution of higher education' means, in addition to institutions which meet the definition of section 1201(a) of this Act, institutions which meet the requirements of section 1201(a) of this Act except that (1) they are not located in the United States, and (2) they apply for assistance under this title in consortia with institutions which meet the definition of 1201(a) of this Act.

''(b) SPECIAL CONDITIONS.—All references to individuals or organizations, unless the context otherwise requires, mean individuals who are citizens or permanent residents of the United States or organizations which are organized or incorporated in the United States.

"SEC. 632. PRESERVATION OF PRE-1992 PROGRAMS.

''Notwithstanding any other provision of law, amendments to this title establishing new programs or expanding existing programs enacted pursuant to the Higher Education Amendments of 1992 shall not be funded in fiscal year 1993, or the 4 succeeding fiscal years, unless and until Congress enacts appropriations for programs under this title enacted prior to such Amendments at a level no less than the level of funding in effect for such preexisting programs for fiscal year 1992.

"PART D—INSTITUTE FOR INTERNATIONAL PUBLIC POLICY

"SEC. 641. ESTABLISHMENT.

''(a) ESTABLISHMENT.—There is authorized to be established an Institute for International Public Policy through grant or contract between the Secretary and an eligible recipient. The Institute for International Public Policy shall conduct a program to significantly increase the numbers of African Americans and other minorities in the international service, international voluntary service, and foreign service of the United States.

''(b) DEFINITION OF ELIGIBLE RECIPIENT.—An eligible recipient shall be a consortia of institutions eligible for assistance under part B of title III of this Act, other institutions of higher education which serve substantial numbers of African American and other minority students, and institutions of higher education with programs in training foreign service professionals. Each consortia shall designate an institution of higher education as the host institution for the Institute for International Public Policy.

"SEC. 642. ACADEMIC YEAR ABROAD PROGRAM.

''The Institute for International Public Policy shall conduct an academic year abroad program. The academic year abroad program shall be open to eligible students at institutions of higher education, including historically Black colleges and universities as defined in section 322 of this Act, tribally controlled Indian community colleges as defined in the Tribally Controlled Community College Assistance Act of 1978, and other institutions of higher education with significant minority student populations. Eligible students expenses shall be shared by the In-

stitute and the institution at which the student is in attendance. Each student may spend up to 9 months abroad in a program of academic study, as well as social, familial and political interactions designed to foster an understanding of and familiarity with the language, culture, economics and governance of the host country.

"SEC. 643. MASTERS DEGREE IN INTERNATIONAL RELATIONS.

''The Institute for International Public Policy shall provide, in cooperation with the other consortium institutions, a program of study leading to a masters degree in international relations. The masters degree program designed by the consortia shall be reviewed and approved by the Board of Visitors. The Institute may grant fellowships in an amount not to exceed the level of support comparable to that provided by the National Science Foundation Graduate Fellowships, except such amount shall be adjusted as necessary so as not to exceed the fellow's demonstrated level of need according to measurement of need approved by the Secretary. A fellowship recipient shall agree to undertake full-time study and to enter the international service, international voluntary service, or foreign service of the United States.

"SEC. 644. INTERNSHIPS.

''The Institute shall enter into agreements with historically Black colleges and universities as defined in section 322 of this Act, tribally controlled Indian community colleges as defined in the Tribally Controlled Community College Assistance Act of 1978, and other institutions of higher education with significant numbers of minority students, and institutions of higher education with programs in training foreign service professionals, to provide academic year internships during the junior and senior year and summer internships following the sophomore and junior academic years, by work placements with an international voluntary or government agency, including the Agency for International Development, the United States Information Agency, the International Monetary Fund, the National Security Council, the Organization of American States, the Organization of African Unity, the Overseas Private Investment Corporation, the Department of State, Office of the United States Trade Representative, the World Bank, and the United Nations.

"SEC. 645. BOARD OF VISITORS.

''(a) BOARD.—There shall be appointed a Board of Visitors for the Institute for International Public Policy, in addition to 3 ex-officio members, 1 of whom shall be designated by the Secretary of Education and 1 of whom shall be designated by the Secretary of State. The President of each of the consortia institutions shall also name 1 representative to the Board of Visitors who shall meet the criteria set forth in section 645(b) of this title. The President of the host institution shall also serve as an ex-officio member of the Board of Visitors. The Board shall review and advise the Institute with respect to all aspects of the academic program and shall submit an annual report to the Secretary of Education and the Secretary of State on the Institute's activities and accomplishments, on the progress of the academic program, and shall include a statistical analysis of the placement of minorities in the foreign service.

''(b) QUALIFICATIONS.—The qualifications for service on the Board of Visitors shall include: (1) previous experience in the foreign service, including appointive service as an Ambassador or another diplomat; (2) academic experience in instruction or research and writing in international political, economic or social areas; (3) extensive practical or professional experience in overseas business, development or international voluntary work; or (4) governmental experience in the foreign service international service or international education.

"SEC. 646. PROGRAM REQUIREMENTS.

''(a) REQUIREMENTS FOR JUNIOR YEAR ABROAD.—As used in this part—

''(1) An eligible student for the junior year abroad program must be enrolled full-time in a baccalaureate degree program at an institution of higher education, and be entering the third year of study at an institution which nominates him/her for participation in the junior year abroad program.

''(2) An institution of higher education desiring to send a student on the junior year abroad enter into a Memorandum of Understanding with the Institute to provide the requisite academic preparation for students participating in the junior year abroad or internship programs, and agrees to pay one-half the cost of each student it nominates for participation in the junior year abroad program, and meets such other requirements as the Secretary of Education may from time to time, by regulation, reasonably require.

''(b) MATCH REQUIRED.—The recipient of a grant or contract under this part shall contribute to the conduct of the program supported by the grant or contract an amount from non-Federal sources equal to at least one-fourth the amount of the grant, which contribution may be in cash or in services, supplies, or equipment.

"SEC. 647. GIFTS AND DONATIONS.

''The Institute is authorized to receive money and other property donated, bequeathed, or devised to the Institute with or without a condition of restriction, for the purpose of providing financial support for the Fellowships or underwriting the cost of the Junior Year Abroad Program. All funds or property given, devised, or bequeathed shall be retained in a separate account, and an accounting of those funds and property shall be included in the annual report of the Board of Visitors to the Secretary of Education and the Secretary of State.

"SEC. 648. AUTHORIZATION.

''There is authorized to be appropriated for fiscal year 1993, $15,000,000 to carry out the purposes of this part and such sums as may be necessary for each succeeding fiscal year.''.

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

SEC. 701. PURPOSES.

(a) PURPOSES.—Section 701 is amended—

(1) by inserting a period after ''instructional instrumentation and equipment'' in subsection (a);

(2) by striking out ''if the primary purpose of such assistance is to enable such institutions—'' in subsection (a) and inserting the following: ''In making such grants, the Secretary shall include, but not be limited to, assistance to enable institutions—'';

(3) by striking out subparagraphs (A) and (B) of subsection (a)(1) and inserting in lieu thereof the following:

''(A) Federal, State, and local laws requiring removal of barriers to full participation by disabled individuals;'';

(4) by redesignating subparagraphs (C) and (D) of subsection (a)(1) as subparagraphs (B) and (C), respectively; and

(5) in paragraph (4) of subsection (a), by inserting after ''libraries,'' the following: ''(including renovation of libraries to promote the use of new technologies and preservation of library materials)''.

(b) PRIORITY.—Section 701(b) is amended by striking out ''priority shall be given'' and inserting in lieu thereof ''priority may be given.''.

SEC. 702. AUTHORIZATION OF APPROPRIATIONS.

Section 702 of the Act is amended to read as follows:

''APPROPRIATIONS AUTHORIZED

''SEC. 702. (a) PARTS A AND B.—There are authorized to be appropriated—

''(1) $50,000,000 for part A for fiscal year 1993 and each of the 4 succeeding fiscal years; and

''(2) $50,000,000 for part B for fiscal year 1993 and each of the 4 succeeding fiscal years.

''(b) OTHER PROGRAMS.—There are authorized to be appropriated—

''(1) such sums as may be necessary to provide not more than $100,000,000 in loans under part C for fiscal year 1993 and for each of the 4 succeeding fiscal years; and

''(2) $25,000,000 for fiscal year 1993 and for each of the 4 succeeding fiscal years for part D.

''(c) BUY AMERICAN REQUIREMENT.—No funds appropriated pursuant to this section may be expended by an institution of higher education for any procurement contract that an agency of the Government would be prohibited from entering into under the Act of March 3, 1933 (41 U.S.C. 10a et seq., popularly known as the 'Buy American Act').''.

SEC. 703. REVISION OF PART A.

(a) AMENDMENT.—Part A of title VII of the Act is amended to read as follows:

"PART A—GRANTS FOR THE CONSTRUCTION, RECONSTRUCTION, AND RENOVATION OF UNDERGRADUATE ACADEMIC FACILITIES

"SEC. 711. GRANTS.

''(a) GRANTS TO INSTITUTIONS; STATE LIMITATION.—(1) Funds available for this part shall be used by the Secretary to make grants to institutions of higher education to construct, reconstruct, and renovate undergraduate academic facilities pursuant to an application for assistance consistent with the objectives of this title.

''(2) The total payment for any fiscal year made to institutions of higher education in any State shall not exceed 12.5 percent of sums appropriated for this part.

''(b) PEER REVIEW REQUIRED.—In making grants under this section, the Secretary shall utilize a national peer review panel. The panel shall be broadly representative of all types and classes of institutions of higher education in the United States. Such panel shall make recommendations to the Secretary based on its assessment of—

''(1) the effectiveness of the program in the proposed use of Federal assistance;

''(2) the extent to which the receipt of the grant will assist the institution in overcoming deficiencies in existing equipment and facilities; and

''(3) the compatibility of the proposal with a State plan, where such plan exists.

''(c) COST LIMITATIONS.—The amount of the grant shall not exceed 50 percent of the development cost of the project. No funds or resources provided through Federal programs shall be used to meet the institution's share of the program supported under this section.

''(d) USE FOR MAINTENANCE.—An amount less than or equal to 10 percent of that portion of an award granted under this part which is allotted by the recipient to meet costs of—

''(1) research and instructional instrumentation and equipment; and

''(2) equipment and structural changes necessary to ensure the proper functioning of such research or instructional instrumentation and equipment;

may be allocated by the recipient for maintenance of equipment and changes described in paragraphs (1) and (2). Part or all of this percentage may also be applied to costs of upgrading such equipment and structural

changes within 3 years of the date of initial use, if the recipient deems such upgrading essential to the continued usefulness of such research or instructional instrumentation and equipment.''.

(b) CONFORMING AMENDMENT.—Section 1203(f) of the Act is amended—

(1) by adding ''and'' at the end of paragraph (1);

(2) by striking out ''; and'' in paragraph (2) and inserting in lieu thereof a period; and

(3) by striking out paragraph (3).

SEC. 704. CONSOLIDATION OF PARTS C AND F AND ELIMINATION OF PART G.

Title VII of the Act is amended—

(1) by striking parts F and G;

(2) by redesignating parts H and J as parts G and H, respectively;

(3) by redesignating sections 781, 782, and 795 as sections 771, 772, and 781, respectively;

(4) by striking section 783; and

(5) by amending part C to read as follows:

''PART C—LOANS FOR CONSTRUCTION, RECONSTRUCTION AND RENOVATION OF ACADEMIC, HOUSING, AND OTHER EDUCATIONAL FACILITIES

''SEC. 731. FEDERAL ASSISTANCE IN THE FORM OF LOANS.

''(a) AUTHORITY AND CONDITIONS FOR LOANS.—To assist institutions of higher education in the construction, reconstruction, or renovation of housing, undergraduate and graduate academic facilities, and other educational facilities for students and faculties, the Secretary may make loans of funds to such institutions for the construction, reconstruction, or renovation of such facilities. No such assistance shall be provided unless—

''(1) the educational institution involved is unable to secure the necessary funds for the construction or purchase from other sources upon terms and conditions equally as favorable as the terms and conditions applicable to loans under this title; and

''(2) the Secretary finds that any such construction will be undertaken in an economical manner, and that any such facilities are not or will not be of elaborate or extravagant design or materials.

''(b) AMOUNT AND CONDITIONS OF LOANS.—A loan to institutions of higher education or higher education building agency—

''(1) may be in an amount not exceeding the total development cost of the facility, as determined by the Secretary;

''(2) shall be secured in such manner and be repaid within such period, not exceeding 50 years, as may be determined by the Secretary; and

''(3) shall bear interest at a rate determined by the Secretary which shall be not more than the lower of (A) 5.5 percent per annum, or (B) the total of one-quarter of 1 percent per annum added to the rate of interest paid by the Secretary on funds obtained from the Secretary of the Treasury.

No loan shall be made unless the Secretary finds that not less than 20 percent of the development cost of the project will be financed from non-Federal sources.

''SEC. 732. GENERAL PROVISIONS.

''(a) BUDGET AND ACCOUNTING.—In the performance of, and with respect to, the functions, powers, and duties under this part, the Secretary, notwithstanding the provisions of any other law, shall—

''(1) prepare annually and submit a budget program as provided for wholly owned Government corporations by chapter 91 of title 31, United States Code; and

''(2) maintain a set of accounts which shall be audited by the Comptroller General in accordance with the provisions of chapter 35 of title 31, United States Code, but such financial transactions of the Secretary, as the making of loans and vouchers approved by the Secretary, in connection with such financial transactions shall be final and conclusive upon all officers of the Government.

''(b) USE OF FUNDS.—Funds made available to the Secretary pursuant to the provisions of this part shall be deposited in a checking account or accounts with the Treasurer of the United States. Receipts and assets obtained or held by the Secretary in connection with the performance of functions under this part, and all funds available for carrying out the functions of the Secretary under this part (including appropriations therefor, which are hereby authorized), shall be available, in such amounts as may from year to year be authorized by the Congress, for the administrative expenses of the Secretary in connection with the performance of such functions.

''(c) LEGAL POWERS.—In the performance of, and with respect to, the functions, powers, and duties under this part, the Secretary, notwithstanding the provisions of any other law, may—

''(1) prescribe such rules and regulations as may be necessary to carry out the purposes for this part;

''(2) sue and be sued;

''(3) foreclose on any property or commence any action to protect or enforce any right conferred upon him by any law, contract, or other agreement, and bid for and purchase at any foreclosure or any other sale any property in connection with which the Secretary has made a loan pursuant to this part;

''(4) in the event of any such acquisition, notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real property by the United States, complete, administer, remodel and convert, dispose of, lease, and otherwise deal with, such property, but any such acquisition of real property shall not deprive any State or political subdivision thereof of its civil or criminal jurisdiction in and over such property or impair the civil rights under the State or local laws of the inhabitants on such property;

''(5) sell or exchange at public or private sale, or lease, real or personal property, and sell or exchange any securities or obligations, upon such terms as the Secretary may fix;

''(6) obtain insurance against loss in connection with property and other assets held;

''(7) subject to the specific limitations in this part, consent to the modification, with respect to the rate of interest, time of payment of any installment of principal or interest, security, or any other term of any contract or agreement to which the Secretary is a party or which has been transferred to the Secretary pursuant to this part, granting to a borrower of a loan made before October 1, 1992, the option of repaying the loan at a discount computed in accordance with subsection (d) if the repayment is (A) made from non-Federal sources, (B) not derived from proceeds of obligations the income of which is exempt from taxation under the Internal Revenue Code of 1986, and (C) made on a loan that has been outstanding for at least 5 years; and

''(8) include in any contract or instrument made pursuant to this title such other covenants, conditions, or provisions as may be necessary to assure that the purposes of this part will be achieved.

''(d) COMPUTATION OF ALLOWABLE DISCOUNTS.—The Secretary shall compute the discount which may be offered to a borrower as an inducement to early repayment under subsection (c)(7) in an amount determined by the Secretary to be in the best financial interests of the Government, taking into account the yield on outstanding marketable obligations of the United States having maturities comparable to the remaining term of such loan.

''(e) NONDISCRIMINATION BETWEEN BORROWERS IN OFFERING DISCOUNTED PREPAYMENT.—(1) If the Secretary offers a discount as an inducement to early repayment under subsection (c)(7), such offer shall be available without regard to whether the borrower is delinquent or in default on the loan on or before October 1, 1991, but the Secretary shall refuse to make such offer to a borrower that becomes delinquent or goes into default after that date.

''(2) The discount offered shall apply, in the case of a borrower that complies with paragraph (1), to the entire amount outstanding on the loan (including any amount owed with respect to payments that are overdue).

''(f) CONTRACTS FOR SUPPLIES OR SERVICES.—Section 3709 of the Revised Statutes shall not apply to any contract for services or supplies on account of any property acquired pursuant to this part if the amount of such contract does not exceed $1,000.

''(g) APPLICABILITY OF GOVERNMENT CORPORATION CONTROL ACT.—The provisions of section 9107(a) of title 31, United States Code, which are applicable to corporations or agencies subject to chapter 91 of such title, shall also be applicable to the activities of the Secretary under this part.

''(h) WAGE RATES.—The Secretary shall take such action as may be necessary to ensure that all laborers and mechanics employed by contractors or subcontractors on any project assisted under this part—

''(1) shall be paid wages at rates not less than those prevailing on the same type of work on similar construction in the immediate locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (Davis-Bacon Act), as amended; and

''(2) shall be employed not more than 40 hours in any one week unless the employee receives wages for his employment in excess of the hours specified above at a rate not less than one and one-half times the regular rate at which he is employed;

but the Secretary may waive the application of this subsection in cases or classes of cases where laborers or mechanics, not otherwise employed at any time in the construction of such project, voluntarily donate their services without full compensation for the purpose of lowering the costs of construction and the Secretary determines that any amounts saved thereby are fully credited to the educational institution undertaking the construction.

''(i) LIMITATION.—No loan may be made under this part for any facility on the campus of any postsecondary educational institution until 5 years after the date on which a previous loan for another facility on such campus was made under this part, unless the loan is intended to be used to construct or reconstruct a facility damaged as a result of a national disaster, as declared by the President.

''SEC. 733. APPORTIONMENT.

''(a) LIMITATION.—Not more than 12.5 percent of the amount of the funds provided for in this part in the form of loans shall be made available to educational institutions within any one State.

''(b) PRIORITIES.—In awarding loans under this part, the Secretary shall give priority—

''(1) to loans for renovation or reconstruction of graduate or undergraduate academic facilities; and

''(2) to loans for renovation or reconstruction of older graduate or undergraduate academic facilities that have gone without major renovation or reconstruction for an extended period.

''SEC. 734. DEFINITIONS.

''For the purpose of this part:

''(a) HOUSING.—The term 'housing' means—

''(1) new or existing structures suitable for dwelling use, including single-room dormitories and apartments; and

''(2) dwelling facilities provided for rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for the proposed dwelling use.

''(b) EDUCATIONAL INSTITUTION.—The term 'institution of higher education or higher education building agency' means—

''(1)(A) any educational institution which offers, or provides satisfactory assurance to the Secretary that it will offer within a reasonable time after completion of a facility for which assistance is requested under this part, at least a 2-year program acceptable for full credit toward a baccalaureate degree (including any public educational institution, or any private educational institution no part of the net earnings of which inures to the benefit of any private shareholder or individual); or

''(B) any public educational institution which—

''(i) is administered by a college or university;

''(ii) offers technical or vocational instruction; and

''(iii) provides residential facilities for some or all of the students receiving such instruction;

''(2) any hospital operating a school of nursing beyond the level of high school approved by the appropriate State authority, or any hospital approved for internships, by recognized authority, if such hospital is either a public hospital or a private hospital, no part of the net earnings of which inures to the benefit of any private shareholder or individual;

''(3) any corporation (no part of the net earnings of which inures to the benefit of any private shareholder or individual)—

''(A) established for the sole purpose of providing housing or other educational facilities for students or students and faculty of one or more institutions included in paragraph (1) without regard to their membership in or affiliation with any social, fraternal, or honorary society or organization; and

''(B) upon dissolution of which all title to any property purchased or built from the proceeds of any loan which is made under section 731, will pass to such institution (or to any one or more of such institutions) unless it is shown to the satisfaction of the Secretary that such property or the proceeds from its sale will be used for some other nonprofit educational purpose;

''(4) any agency, public authority, or other instrumentality of any State, established for the purpose of providing or financing housing or other educational facilities for students or faculty of any educational institution included in paragraph (1), but nothing in this paragraph shall require an institution included in paragraph (1) to obtain loans or grants through any instrumentality included in this paragraph; and

''(5) any nonprofit student housing cooperative corporation established for the purpose of providing housing for students or students and faculty of any institution included in paragraph (1).

In the case of any loan made under section 731 to a corporation described in paragraph (3) which was not established by the institution or institutions for whose students or students and faculty it would provide housing, or to a student housing cooperative corporation described in paragraph (5), and in the case of any loan which is obtained from other sources by such a corporation, the Secretary shall require that the note securing such loan be cosigned by such institution (or by any one or more of such institutions). Where the law of any State in effect on the date of enactment of the Housing Act of 1964 prevents the institution or institutions, for whose students or students and faculty housing is to be provided, from cosigning the note, the Secretary shall require the corporation and the proposed project to be approved by such institution (or by any one or more of such institutions) in lieu of such cosigning.

''(c) UNDERGRADUATE AND GRADUATE ACADEMIC FACILITIES.—(1) Except as provided in paragraph (2), the term 'undergraduate and graduate academic facilities' means structures suitable for use as classrooms, laboratories, libraries, and related facilities, the primary purpose of which is the instruction of students pursuing at least a 2-year program acceptable for full credit toward a baccalaureate degree, or for administration of the educational programs serving such students, of an institution of higher education, and maintenance, storage, or utility facilities essential to operation of the foregoing facilities, as well as infirmaries or other facilities designed to provide primarily for outpatient care of student and instructional personnel. Plans for such facilities shall be in compliance with such standards as the Secretary may prescribe or approve in order to ensure that projects assisted with the use of Federal funds under this title shall be, to the extent appropriate in view of the uses to be made of the facilities, accessible to and usable by handicapped persons.

''(2) The term 'undergraduate and graduate academic facilities' shall not include (A) any facility intended primarily for events for which admission is to be charged to the general public, (B) any gymnasium or other facility specially designed for athletic or recreational activities, other than for an academic course in physical education or where the Secretary finds that the physical integration of such facilities with other undergraduate academic facilities included under this part is required to carry out the objectives of this part, (C) any facility used or to be used for sectarian instruction or as a place for religious worship, or (D) any facility which (although not a facility described in the preceding clause) is used or to be used primarily in connection with any part of the program of a school or department of divinity.

''(d) DEVELOPMENT COST.—The term 'development cost' means costs of the construction of the housing, academic facilities, or other educational facilities and the land on which it is located, including necessary site improvements to permit its use for housing, academic facilities, or other educational facilities; except that in the case of the purchase of facilities such term means the cost as approved by the Secretary.

''(e) FACULTIES.—The term 'faculties' means members of the faculty and their families.

''(f) OTHER EDUCATIONAL FACILITIES.—The term 'other educational facilities' means (1) new or existing structures suitable for use as cafeterias or dining halls, student centers or student unions, infirmaries or other inpatient or outpatient health facilities, or for other essential service facilities, and (2) structures suitable for the above uses provided by rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for such uses.''.

SEC. 705. AMENDMENT TO PART E.

Section 752(c)(1) of the Act is amended by inserting before the period at the end the following: '', unless such institution has been declined for primary insurance or guarantees for the assets or obligations by an organization which guarantees, insures, and reinsures bonds, debentures, notes, evidences of debt, loans and interests therein''.

SEC. 706. HISTORICALLY BLACK COLLEGE AND UNIVERSITY CAPITAL FINANCING.

Title VII of the Act is further amended by inserting after part E the following new part:

"PART F—HISTORICALLY BLACK COLLEGE AND UNIVERSITY CAPITAL FINANCING

"SEC. 761. FINDINGS.

''The Congress finds that—

''(1) a significant part of the Federal mission in education has been to attain equal opportunity in higher education for low-income, educationally disadvantaged Americans and African Americans;

''(2) the Nation's historically Black colleges and universities have played a prominent role in American history and have an unparalleled record of fostering the development of African American youth by recognizing their potential, enhancing their academic and technical skills, and honing their social and political skills through higher education;

''(3) the academic and residential facilities on the campuses of all historically Black colleges and universities have suffered from neglect, deferred maintenance and are in need of capital improvements in order to provide appropriate settings for learning and social development through higher education;

''(4) due to their small enrollments, limited endowments and other financial factors normally considered by lenders in construction financing, historically Black colleges and universities often lack access to the sources of funding necessary to undertake the necessary capital improvements through borrowing and bond financing;

''(5) despite their track record of longstanding and remarkable institutional longevity and viability, historically Black colleges and universities often lack the financial resources necessary to gain access to traditional sources of capital financing such as bank loans and bond financing; and

''(6) Federal assistance to facilitate low-cost capital basis for historically Black colleges and universities will enable such colleges and universities to continue and expand their educational mission and enhance their significant role in American higher education.

"SEC. 762. DEFINITIONS.

''For the purposes of this part—

''(1) The term 'eligible institution' means a 'part B institution' as that term is defined in section 322(2) of the Higher Education Act of 1965 (20 U.S.C. 1061(2)).

''(2) The term 'Advisory Board' means the Advisory Board established by section 766 of this part.

''(3) The term 'loan' means a loan made to an eligible institution under the provisions of this part and pursuant to an agreement with the Secretary.

''(4) The term 'qualified bond' means any obligation issued by the designated bonding authority at the direction of the Secretary, the net proceeds of which are loaned to an eligible institution for the purposes described in section 763(b).

''(5) The term 'funding' means any payment under this part from the Secretary to the eligible institution or its assignee in fulfillment of the insurance obligations of the Secretary pursuant to an agreement under section 763.

''(6) The term 'capital project' means, subject to section 764(b) of this part—

''(A) any classroom facility, library, laboratory facility, dormitory (including dining facilities) or other facility customarily used by colleges and universities for instructional or research purposes or for housing students, faculty, and staff;

''(B) instructional equipment, research instrumentation, and any capital equipment or fixture related to facilities described in subparagraph (A);

''(C) any other facility, equipment or fixture the construction, acquisition, or renovation of which is essential to the main-

taining of accreditation of the member institution by a nationally recognized accrediting agency or association; and

''(D) any real property or interest therein underlying facilities described in subparagraph (A) or (C).

''(7) The term 'interest' includes accredited value or any other payment constituting interest on an obligation.

''(8) The term 'outstanding', when used with respect to bonds, shall not include bonds the payment of which shall have been provided for by the irrevocable deposit in trust of obligations maturing as to principal and interest in such amounts and at such times as will ensure the availability of sufficient moneys to make payments on such bonds.

''(9) The term 'designated bonding authority' means the private, for-profit corporation selected by the Secretary pursuant to section 765(1) of this part for the purpose of issuing taxable construction bonds in furtherance of the purposes of this part.

"SEC. 763. FEDERAL INSURANCE FOR BONDS.

''(a) GENERAL RULE.—Subject to the limitations in section 764 of this part, the Secretary is authorized to enter into insurance agreements to provide financial insurance to guarantee the full payment of principal and interest on qualified bonds upon the conditions set forth in subsections (b) and (c) of this section.

''(b) RESPONSIBILITIES OF THE DESIGNATED BONDING AUTHORITY.—The Secretary may not enter into an insurance agreement described in subsection (a) of this section unless the Secretary designates a qualified bonding authority in accordance with sections 765(1) and 766 and the designated bonding authority agrees in such agreement to—

''(1) use the proceeds of the qualified bonds, less costs of issuance not to exceed 2 percent of the principal amount thereof, to make loans to eligible institutions or for deposit into a reserve fund for repayment of the bonds;

''(2) provide in each loan agreement with respect to a loan that not less than 75 percent of the proceeds of the loan will be used—

''(A) to finance the construction, acquisition, equipping, or renovation of a capital project; or

''(B) to refinance an obligation the proceeds of which were used to finance the construction, acquisition, equipping, or renovation of a capital project;

''(3)(A) charge such interest on loans, and provide for such a schedule of repayments of loans, as will, upon the timely repayment of the loans, provide adequate and timely funds for the payment of principal and interest on the bonds; and

''(B) require that any payment on a loan expected to be necessary to make a payment of principal and interest on the bonds be due no less than 60 days prior to the date of the payment on the bonds for which it is expected to be needed;

''(4) prior to the making of any loan, provide for a credit review of the member institution receiving the loan and assure the Secretary that, on the basis of such credit review, it is reasonable to anticipate that the member institution receiving the loan will be able to repay the loan in a timely manner pursuant to the terms thereof;

''(5) provide in each loan agreement with respect to a loan that, if a delinquency on such loan results in a funding under the insurance agreement, the member institution obligated on such loan shall repay the Secretary, upon terms to be determined by the Secretary, for such funding;

''(6) assign any loans to the Secretary, upon the demand of the Secretary, if a delinquency on such loan has required a funding under the insurance agreement;

''(7) in the event of a delinquency on a loan, engage in such collection efforts as the Secretary shall require for a period of not less than 45 days prior to requesting a funding under the insurance agreement;

''(8) create a reserve fund from the proceeds of the bonds to be drawn upon to pay principal and interest on bonds in the event of delinquencies in loan repayment;

''(9) provide in each loan agreement with respect to a loan that, if a delinquency on such loan results in amounts being withdrawn from the reserve fund to pay principal and interest on bonds, subsequent payments on such loan shall be available to replenish such reserve fund;

''(10) comply with the limitations set forth in section 764 of this part; and

''(11) make loans only to eligible institutions under this part in accordance with regulations prescribed by the Secretary to ensure that loans are fairly allocated among as many eligible institutions as possible, consistent with making loans of amounts that will permit capital projects of sufficient size and scope to significantly contribute to the educational program of the eligible institutions.

''(c) ADDITIONAL AGREEMENT PROVISIONS.—Any insurance agreement described in subsection (a) of this section shall provide as follows:

''(1) The payment of principal and interest on bonds shall be insured by the Secretary until such time as such bonds have been retired or canceled.

''(2) The Secretary shall create a letter of credit authorizing the Treasury Department to disburse funds to the designated bonding authority or its assignee.

''(3) The letter of credit shall be drawn upon in the amount determined by paragraph (4) of this subsection upon the certification of the designated bonding authority to the Secretary or the Secretary's designee that there is a delinquency on 1 or more loans and there are insufficient funds available from loan repayments and the reserve fund to make a scheduled payment of principal and interest on the bonds.

''(4) Upon receipt by the Secretary or the Secretary's designee of the certification described in paragraph (3) of this subsection, the designated bonding authority may draw a funding under the letter of credit in an amount equal to—

''(A) the amount required to make the next scheduled payment of principal and interest on the bonds, less

''(B) the amount available to the designated bonding authority from loan repayments and the reserve fund.

''(5) All fundings under the letter of credit shall be paid to the designated bonding authority within 2 business days following receipt of the certification described in paragraph (3) of this subsection.

''(d) FULL FAITH AND CREDIT PROVISIONS.—The full faith and credit of the United States is pledged to the payment of all fundings which may be required to be paid under the provisions of this section.

"SEC. 764. LIMITATIONS ON FEDERAL INSURANCE FOR BONDS ISSUED BY THE DESIGNATED BONDING AUTHORITY.

''(a) LIMIT ON AMOUNT.—At no time shall the aggregate principal amount of outstanding bonds insured under this part together with any accrued unpaid interest thereon exceed $500,000,000, of which—

''(1) not more than $350,000,000 shall be used for loans to eligible institutions that are private historically Black colleges and universities; and

''(2) not more than $150,000,000 shall be used for loans to eligible institutions which are historically Black public colleges and universities.

For purposes of paragraphs (1) and (2), Lincoln University of Pennsylvania and Howard University in Washington, District of Columbia are historically Black public institutions.

''(b) LIMITATION ON CREDIT AUTHORITY.—The authority of the Secretary to issue letters of credit and insurance under this part is effective only to the extent provided in advance by appropriations Acts.

''(c) RELIGIOUS ACTIVITY PROHIBITION.—No loan may be made under this Act for any educational program, activity or service related to sectarian instruction or religious worship or provided by a school or department of divinity or to an institution in which a substantial portion of its functions is subsumed in a religious mission.

''(d) DISCRIMINATION PROHIBITION.—No loan may be made to a member institution under this part if the member institution discriminates on account of race, color, religion, national origin, sex (to the extent provided in title IX of the Education Amendments of 1972), or handicapping condition; except that the prohibition with respect to religion shall not apply to a member institution which is controlled by or which is closely identified with the tenets of a particular religious organization if the application of this section would not be consistent with the religious tenets of such organization.

"SEC. 765. AUTHORITY OF THE SECRETARY.

''In the performance of, and with respect to, the functions vested in the Secretary by this Act, the Secretary—

''(1) shall, within 120 days of enactment of this Act, publish in the Federal Register a notice and request for proposals for any private for-profit organization or entity wishing to serve as the designated bonding authority under this part, which notice shall—

''(A) specify the time and manner for submission of proposals;

''(B) specify any information, qualifications, criteria, or standards the Secretary determines to be necessary to evaluate the financial capacity and administrative capability of any applicant to carry out the responsibilities of the designated bonding authority under this part;

''(2) may sue and be sued in any court of record of a State having general jurisdiction or in any district court of the United States, and such district courts shall have jurisdiction of civil actions arising under this part without regard to the amount in controversy, and any action instituted under this part without regard to the amount in controversy, and any action instituted under this section by or against the Secretary shall survive notwithstanding any change in the person occupying the office of the Secretary or any vacancy in such office;

''(3)(A) may foreclose on any property and bid for and purchase at any foreclosure, or any other sale, any property in connection with which the Secretary has been assigned a loan pursuant to this part; and

''(B) in the event of such an acquisition, notwithstanding any other provisions of law relating to the acquisition, handling, or disposal of real property by the United States, complete, administer, remodel and convert, dispose of, lease, and otherwise deal with, such property, except that—

''(i) such action shall not preclude any other action by the Secretary to recover any deficiency in the amount of a loan assigned to the Secretary; and

''(ii) any such acquisition of real property shall not deprive any State or political subdivision thereof of its civil or criminal jurisdiction in and over such property or impair the civil rights under the State or local laws of the inhabitants on such property;

''(4) may sell, exchange, or lease real or personal property and securities or obligations; and

''(5) may include in any contract such other covenants, conditions, or provisions necessary to ensure that the purposes of this Act will be achieved.

''SEC. 766. HBCU CAPITAL FINANCING ADVISORY BOARD.

''(a) ESTABLISHMENT AND PURPOSE.—There is established within the Department of Education, the Historically Black College and Universities Capital Financing Advisory Board which shall provide advice and counsel to the Secretary and the designated bonding authority as to the most effective and efficient means of implementing construction financing on Black college campuses, and advise the Congress of the United States regarding the progress made in implementing this part. The Advisory Board shall meet with the Secretary at least twice each year to advise him as to the capital needs of historically Black colleges and universities, how those needs can be met through the program authorized by this part, what additional steps might be taken to improve the operation and implementation of the construction financing program, and how minority vendors and historically Black colleges might mutually benefit under this part.

''(b) BOARD MEMBERSHIP.—

''(1) COMPOSITION.—The Advisory Board shall be composed of 9 members as follows:

''(A) the Secretary or the Secretary's designee;

''(B) three members who are presidents of private historically Black colleges or universities;

''(C) two members who are presidents of public historically Black colleges or universities;

''(D) the president of the United Negro College Fund, Inc.;

''(E) the president of the National Association for Equal Opportunity in Higher Education; and

''(F) the executive director of the White House Initiative on historically Black colleges and universities.

''(2) TERMS.—The term of office of each member appointed under paragraph (1)(C) shall be 3 years, except that—

''(A) of the members first appointed, 2 shall be appointed for terms of one year, 2 shall be appointed for terms of 2 years, and 3 shall be appointed for terms of 3 years, as designated at the time of their appointment;

''(B) members appointed to fill a vacancy occurring before the expiration of a term of a member shall be appointed to serve the remainder of that term; and

''(C) a member may continue to serve after the expiration of a term until a successor is appointed.

''SEC. 767. MINORITY BUSINESS ENTERPRISE UTILIZATION.

''In the performance of and with respect to the Secretary's effectuation of his responsibilities under section 765(1) and to the maximum extent feasible in the implementation of the purposes of this part, minority business persons, including bond underwriters and credit enhancers, bond counsel, marketers, accountants, advisors, construction contractors, and managers should be utilized.''.

SEC. 707. FORGIVENESS OF CERTAIN TITLE VII LOANS.

Part G of title VII of the Act (as redesignated) is amended by inserting after section 773 (as redesignated) the following new section:

''FORGIVENESS OF CERTAIN LOANS

''SEC. 774. (a) FORGIVENESS AUTHORIZED.—The Secretary may forgive the entire balance due on any loan made under part C or part F of this title (as in effect on the day before the date of enactment of the Higher Education Amendments of 1992), or under the College Housing and Academic Facilities Loan program, or any other federally subsidized, insured, or authorized loan program designed to assist institutions of higher education to construct academic or dormitory facilities, whenever the Secretary determines that—

''(1) the institution of higher education seeking loan forgiveness is a historically black college or university as defined in section 322(2) of this Act or is a tribally controlled community college, as defined in section 2(a)(4) of the Tribally Controlled Community College Assistance Act;

''(2) the institution of higher education is current in its payments to the Department or has entered into a moratorium agreement with the Secretary with respect to such payments; and

''(3) the outstanding indebtedness equals at least one-quarter of the annual budget for the most recent fiscal year of the institution of higher education seeking forgiveness of its housing loan indebtedness, exclusive of funds provided under titles III and IV of this Act, and in the judgment of the Secretary the survival of the institution of higher education is threatened.

''(b) APPLICATION.—Each institution requesting forgiveness of any loan under this section shall submit an application to the Secretary at such time, in such manner and containing or accompanied by such information, as the Secretary may reasonably require.''.

SEC. 708. REPEAL.

Part H of title VII of the Act (as redesignated by section 704) is repealed.

TITLE VIII—COOPERATIVE EDUCATION

SEC. 801. AUTHORIZATION OF APPROPRIATIONS; RESERVATIONS.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 801(a) of the Act is amended to read as follows:

''SEC. 801. (a) APPROPRIATIONS AUTHORIZED.—There are authorized to be appropriated to carry out this title $45,000,000 for fiscal year 1993, and such sums as may be necessary for each of the 4 succeeding fiscal years.''.

(b) RESERVATIONS.—Section 801(b) of the Act is amended—

(1) in paragraph (1)—

(A) by striking out ''75 percent'' and inserting ''53 percent''; and

(B) by striking ''section 802'' and inserting ''section 802(b)'';

(2) by redesignating paragraphs (2) through (4) as paragraphs (3) through (5), respectively;

(3) by inserting after paragraph (1) the following new paragraph:

''(2) 22 percent shall be available for carrying out grants to institutions of higher education and combinations of such institutions for cooperative education under section 802(c);'';

(4) in paragraph (3) (as redesignated by paragraph (2) of this subsection), by striking out ''12½ percent'' and inserting ''11 percent'';

(5) in paragraph (4) (as so redesignated), by striking out ''10 percent'' and inserting ''11 percent''; and

(6) in paragraph (5) (as so redesignated), by striking out ''2½ percent'' and inserting ''3 percent''.

SEC. 802. GRANTS FOR COOPERATIVE EDUCATION.

(a) APPLICATIONS FOR NEW PROGRAMS.—Section 802(b) of the Act is amended—

(1) by inserting ''FOR NEW PROGRAMS'' after ''APPLICATIONS'';

(2) by striking ''desiring to receive a grant under this title'' and inserting ''which has not received funds under this title for the administration of the cooperative education program for any of the 10 preceding fiscal years and desires to receive a grant under this subsection'';

(3) in paragraph (4), by striking ''to assure'' and inserting ''a formal statement of institutional commitment which assures'';

(4) in paragraph (5), by inserting ''or associate degree'' after ''who are certificate'';

(5) in paragraph (6)(A), by striking out clauses (i) through (iv) and inserting the following:

''(i) the number of unduplicated student applicants in the cooperative education program;

''(ii) the number of unduplicated students placed in co-op jobs;

''(iii) the number of employers who have hired co-op students;

''(iv) the total income for all students derived from working in co-op jobs; and

''(v) the increase or decrease in the number of students placed in co-op jobs in the program in the second previous year compared to such previous fiscal year; and''.

(b) APPLICATIONS FOR EXISTING PROGRAMS.—Section 802 is amended—

(1) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(2) by inserting after subsection (b) the following new subsection:

''(c) APPLICATIONS FOR EXISTING PROGRAMS.—(1) Any institution of higher education, or participant in a combination of such institutions, which—

''(A) has an existing cooperative education program; or

''(B) has received Federal assistance for at least 5 fiscal years under this section;

may apply to receive a grant under this subsection.

''(2) Each institution of higher education, or combination of institutions, desiring to receive a grant under this subsection shall submit an application to the Secretary at such time and in such manner as the Secretary shall prescribe. Each such application shall comply with the requirements of paragraphs (1), (2), (3), (5), (6), (7), and (8) of subsection (b).

''(3)(A) Except as provided in subparagraphs (B) and (C), the amount of a grant under this subsection shall be an amount that bears the same ratio to the amount available under section 801(b)(2) as the applicant institution's number of unduplicated students placed in co-op jobs (as defined 34 CFR Part 631.5, as in effect on December 31, 1990) in the previous year bears to the total number of such students in all institutions applying under this subsection.

''(B) No institution of higher education may receive an amount of Federal funds under this subsection in excess of 25 percent of that institution's co-op personnel and operating budget for the previous fiscal year.

''(C) The minimum annual award level for which an institution is eligible under this subsection is $1,000 and the maximum annual award level is $75,000.

''(4) Grants under this subsection shall be used exclusively to extend the quality and participation of the cooperative education program, for outreach in new curricular areas and outreach to potential participants including underrepresented and nontraditional populations.

''(5) No institution that receives funds under this subsection for a fiscal year may receive funds under subsection (b) for such fiscal year.''.

(c) DURATION OF GRANTS.—Section 802(d) of the Act (as redesignated by subsection (b)(1)) is amended—

(1) in paragraph (1)(A), by striking ''Except as provided in paragraph (3), no'' and inserting ''No'';

(2) by striking paragraph (3); and

(3) by redesignating paragraph (4) as paragraph (3).

(d) FEDERAL SHARE.—Section 802(d)(2) of the Act (as redesignated by subsection (b)(1)) is amended—

(1) in subparagraph (A), by striking out ''90 percent'' and inserting ''85 percent'';

(2) in subparagraph (B), by striking out ''80 percent'' and inserting ''70 percent'';

(3) in subparagraph (C), by striking out ''70 percent'' and inserting ''55 percent'';

(4) in subparagraph (D), by striking out ''60 percent'' and inserting ''40 percent''; and

(5) in subparagraph (E), by striking out ''30 percent'' and inserting ''25 percent''.

(e) CONSIDERATION OF APPLICATIONS.—Section 802(e) of the Act (as redesignated) is amended—

(1) by inserting ''strength of'' before ''commitment'' in paragraph (1)(B);

(2) by striking ''education has'' in such paragraph and inserting ''education as'';

(3) by inserting ''and formalized institutional commitment statement'' after ''demonstrated by the plans'' in such paragraph; and

(4) by striking ''on an institution-wide basis'' in paragraph (1)(C).

(f) AMENDMENTS TO SECTION 803.—Section 803 of the Act is amended—

(1) in subsection (a)(1), by striking out ''section 801(b)(2)'' and inserting ''section 801(b)(3)'';

(2) in subsection (a)(2)—

(A) by striking ''and'' at the end of subparagraph (D);

(B) by striking the comma at the end of subparagraph (E) and inserting ''; and'';

(C) by inserting after subparagraph (E) the following new subparagraph:

''(F) encourage model and cooperative education in the fields of science and mathematics for women and minorities who are underrepresented in these fields;''; and

(D) by striking out ''section 801(b)(3)'' and inserting ''section 801(b)(4)''; and

(3) in subsection (a)(3), by striking out ''section 801(b)(4)'' and inserting ''section 801(b)(5)''.

TITLE IX—GRADUATE PROGRAMS

SEC. 901. PURPOSE; ADMINISTRATIVE PROVISIONS.

Title IX of the Act is amended by inserting before part A the following new section:

''ADMINISTRATIVE PROVISIONS

''SEC. 900. (a) COORDINATION REQUIRED.—In carrying out the purposes of this title, the Secretary shall provide for coordinated administration and regulation of graduate programs under this title to ensure that the programs are carried out in a manner most compatible with academic practices.

''(b) HIRING AUTHORITY.—For purposes of carrying out this title, the Secretary shall appoint, without regard to the provisions of title 5 of the United States Code governing appointments in the competitive service, such administrative and technical employees, with the appropriate educational background, as shall be needed to assist in the administration of such part. Such employees shall be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

''(c) USE FOR RELIGIOUS PURPOSES PROHIBITED.—No fellowship shall be awarded under this title for study at a school or department of divinity.''.

SEC. 902. AMENDMENTS TO PART A.

Part A of title IX of the Act is amended—

(1) by amending the heading of such part to read as follows:

''PART A—GRANTS TO INSTITUTIONS TO ENCOURAGE WOMEN AND MINORITY PARTICIPATION IN GRADUATE EDUCATION'';

(2) by amending section 901 to read as follows:

''GRANTS AUTHORIZED

''SEC. 901. The Secretary shall make grants to institutions of higher education to enable such institutions—

''(1) to identify talented undergraduate students who—

''(A) demonstrate financial need, and

''(B) are individuals from minority groups underrepresented in graduate education or are women underrepresented in fields of study in graduate education such as the fields of science and mathematics, and

''(2) to provide such students with an opportunity to participate in a program of research and scholarly activities at such institutions designed to provide such students with effective preparation for graduate study in such fields or related fields.'';

(3) in section 902(a)(2)—

(A) by inserting ''women and'' before ''minority undergraduates''; and

(B) by inserting '', especially those interested in entering fields in which they are underrepresented'' after ''minority undergraduates''; and

(4) by inserting after section 903 the following new section:

''INFORMATION COLLECTION

''SEC. 904. In order to assist institutions of higher education to identify talented women and minority undergraduates for graduate study, institutions receiving awards under this part shall provide to the Secretary such information as the Secretary determines is necessary to carry out this section. With respect to students participating in a summer internship under this part, the Secretary shall collect information submitted by such institutions, such as the students' names, addresses, and institutions attended for undergraduate study. The Secretary shall, subject to the authorization of each student, make the information available to institutions of higher education offering graduate programs seeking to identify talented women and minority undergraduates for graduate study.''.

SEC. 903. AMENDMENTS TO PART B.

(a) PURPOSE.—Section 921 of the Act is amended to read as follows:

''STATEMENT OF PURPOSE; DESIGNATION

''SEC. 921. (a) PURPOSE.—It is the purpose of this subpart to provide, through institutions of higher education, a program of grants to assist in making available the benefits of masters level and professional education to highly talented individuals from minority groups underrepresented in masters level and professional education and to highly talented women who are underrepresented in masters levels and professional education.

''(b) DESIGNATION.—Each recipient of such an award under this part shall be known as a 'Postbaccalaureate Opportunity Fellow'.''.

(b) APPLICATIONS.—Section 922(c) of the Act is amended by striking ''graduate or professional degree'' and inserting ''masters or professional degree''.

(c) SELECTION OF APPLICATIONS.—Section 922(d) of the Act is amended—

(1) by striking paragraph (1);

(2) in paragraph (2), by striking ''and'' at the end thereof;

(3) in paragraph (3)—

(A) by inserting ''women and'' after ''a larger number of'';

(B) by striking ''in colleges and universities'' and inserting ''in professional and academic careers requiring master's or professional degrees''; and

(C) by striking the period at the end and inserting a semicolon;

(4) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively; and

(5) by adding at the end the following new paragraphs:

''(3) take into account the need to expand access by women and minority groups to careers heretofore lacking adequate representation of women and minority groups; and

''(4) take into account the success of the applicant in providing students with access to careers in which women and minority groups are underrepresented.''.

(d) PRIORITIES FOR FELLOWSHIPS.—Section 922(e) of the Act is amended to read as follows:

''(e) PRIORITIES FOR FELLOWSHIPS.—The Secretary shall assure that, in making grants under this subpart, a priority for awards is accorded to—

''(1) individuals from minority groups and women who are pursuing masters level or professional study in fields in which they are underrepresented; and

''(2) individuals from minority groups and women who are pursuing masters level study leading to careers that serve the public interest.''.

(e) INSTITUTIONAL PAYMENTS.—Section 922(f) of the Act is amended to read as follows:

''(f) INSTITUTIONAL PAYMENTS.—The Secretary shall (in addition to stipends paid to individuals under this subpart) pay to the institution of higher education, for each individual awarded a fellowship at such institution, $10,000 with respect to such awards made for academic year 1993–1994, to be adjusted annually thereafter in accordance with inflation as determined by the Department of Labor's Consumer Price Index for the previous calendar year.''.

(f) AWARD OF FELLOWSHIPS.—Section 923 of the Act is amended to read as follows:

''AWARD OF FELLOWSHIPS

''SEC. 923. (a) AWARDS.—The Secretary shall make payments to institutions of higher education for the purpose of paying stipends to individuals who are awarded fellowships under this subpart. The stipends the Secretary may establish shall reflect the purpose of this program to encourage highly talented students to undertake masters level and professional study as described in this subpart. Such stipends shall be set at a level of support comparable to that provided by the National Science Foundation Graduate Fellowships, except such amount shall be adjusted as necessary so as not to exceed the fellow's demonstrated level of need according to measurements of need approved by the Secretary.

''(b) REQUIREMENTS FOR AWARDS.—No student enrolled in graduate study leading to a masters or professional degree shall receive an award except during periods in which such student is maintaining satisfactory progress in, and devoting essentially full time to study or research (including acting as a teaching assistant or research assistant as may be required as a condition to award a degree), in the field in which such fellowship was awarded and is not engaging in gainful employment, other than part-time employment by the institution of higher education involved in teaching, research, or similar activities, approved by the Secretary. Such period shall not exceed the normal period for completing the program in which the student is enrolled or a total of 3 years, whichever is less, except that the Secretary may provide by regulation for the granting of such fellowships for a period of study not to exceed one 12-month period, in addition to the 2-year period for study or research set forth in this section, under special circumstances which the Secretary determines would most effectively serve the purposes of this part. The Secretary shall make a determination to provide such 12-month extension of an award to an individual fellowship recipient for study or research upon review of an application for such extension by the recipient.''.

(g) GRADUATE FELLOWSHIPS.—Part B of title IX is further amended—

(1) by striking the heading of part B and inserting the following:

"PART B—POSTBACCALAUREATE OPPORTUNITY AND HARRIS FELLOWSHIP PROGRAMS

''Subpart 1—Postbaccalaureate Opportunity Fellowships''; and

(2) by adding at the end thereof the following new subpart:

''Subpart 2—Patricia Roberts Harris Graduate Fellowship Program

"SEC. 926. STATEMENT OF PURPOSE; DESIGNATION OF AWARDS.

''(a) PURPOSE.—It is the purpose of this subpart to provide, through institutions of higher education, a program of grants to assist in making available the benefits of doctoral education to individuals from minority groups who are underrepresented in doctoral education and to women who are underrepresented in fields of doctoral education.

''(b) DESIGNATION.—Each recipient of such an award under this subpart shall be known as a 'Patricia Roberts Harris Graduate Fellow'.

"SEC. 927. PROGRAM AUTHORIZED.

''(a) GRANT BY SECRETARY.—The Secretary shall make grants to institutions of higher education to enable such institutions to make grants in accordance with the provisions of this subpart.

''(b) DISTRIBUTION AND AMOUNTS OF GRANTS.—(1) In making such grants the Secretary shall, consistent with the allocation of grants based on merit, seek a broad geographic distribution of awards and an equitable distribution among eligible public and independent institutions of higher education.

''(2) Whenever the Secretary determines that an institution of higher education is unable to use all of the amounts available to it under this subpart, the Secretary shall, on such dates during each fiscal year as the Secretary may fix, reallot such amounts not needed to institutions which can use the grants authorized by this subpart.

''(c) APPLICATIONS.—Any eligible institution of higher education offering a program of doctoral education may apply for grants under this subpart. Each such institution may make an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require. Such application may be made on behalf of academic departments or similar organizational units within such institution meeting the requirements of this subsection, including interdisciplinary or interdepartmental programs.

''(d) SELECTION OF APPLICATIONS.—In making grants to institutions of higher education, the Secretary shall—

''(1) take into account present and projected needs for highly trained individuals in academic fields of high national priority;

''(2) consider the need to prepare a larger number of women and individuals from minority groups, especially from among such groups which have been traditionally underrepresented in colleges and universities and in specific fields, but nothing contained in this paragraph shall be interpreted to require any institution to grant preference or disparate treatment to the members of one minority group on account of an imbalance which may exist with respect to the total number or percentage of individuals of such group participating in or receiving the benefits of the program authorized in this section, in comparison with the total number of percentage of individuals of such group in any community, State, section, or other area.

''(e) PRIORITIES FOR FELLOWSHIPS.—The Secretary shall assure that, in making grants under this subpart, awards are made to women and individuals from traditionally underrepresented groups undertaking doctoral study, including those interested in entering the fields of science and mathematics.

''(f) INSTITUTIONAL PAYMENTS.—The Secretary shall (in addition to stipends paid to individuals under this subpart) pay to the institution of higher education, for each individual awarded a fellowship at such institution, $10,000 with respect to such awards made for the academic year 1993–1994, to be adjusted annually thereafter in accordance with inflation as determined by the Department of Labor's Consumer Price Index for the previous calendar year.

"SEC. 928. AWARD OF FELLOWSHIPS.

''(a) AWARDS.—The Secretary shall make payments to institutions of higher education for the purpose of paying stipends to individuals who are awarded fellowships under this subpart. The stipends the Secretary may establish shall reflect the purpose of this program to encourage highly talented students to undertake doctoral study as described in this subpart. Such stipends shall be set at a level of support comparable to that provided by the National Science Foundation Graduate Fellowships, except such amount shall be adjusted as necessary so as not to exceed the fellow's demonstrated level of need according to measurements of need approved by the Secretary.

''(b) REQUIREMENTS FOR AWARDS.—No student enrolled in graduate study leading to a doctoral degree shall receive an award except during periods in which such student is maintaining satisfactory progress in, and devoting essentially full time to study, research (including acting as a teaching assistant or research assistant as may be required as a condition to award a degree), or dissertation work in the field in which such fellowship was awarded and is not engaging in gainful employment, other than part-time employment by the institution of higher education involved in teaching, research, or similar activities, approved by the Secretary. Such period shall not exceed a total of three years, consisting of not more than two years of support for study or research, and not more than one year of support for dissertation work provided that the student has attained satisfactory progress to the dissertation stage. The institution shall provide two years of support for each student, including at least one year of supervised teaching, following the two years of predissertation support under this subpart. The Secretary may provide by regulation for the granting of such fellowships for a period for study not to exceed one 12-month period, in addition to the two-year period for study or research set forth in this section, under special circumstances which the Secretary determines would most effectively serve the purposes of this part. The Secretary shall make a determination to provide such 12-month extension of an award to an individual fellowship recipient for study or research upon review of an application for such extension by the recipient.''.

SEC. 904. AMENDMENTS TO PART C.

(a) AWARD OF FELLOWSHIPS.—Section 931 of the Act is amended—

(1) by striking out ''Number and'' in the heading of subsection (a); and

(2) by striking out ''not more than 450 fellowships per year'' and inserting in lieu thereof ''up to 600 new fellowships per year'' in subsection (a).

(b) STIPENDS.—Section 933(a) of the Act is amended to read as follows:

''SEC. 933. (a) AWARD BY SECRETARY.—The Secretary shall pay to individuals awarded fellowships under this part such stipends as the Secretary may establish, reflecting the purpose of this program to encourage highly talented students to undertake graduate study as described in this part. Such fellowships shall be set at a level of support comparable to that provided by the National Science Foundation Graduate Fellowships, except such amount shall be adjusted as necessary so as not to exceed the fellow's demonstrated level of need according to measurements of need approved by the Secretary.''.

(c) INSTITUTIONAL PAYMENTS.—Section 933(b)(1) of the Act is amended by striking out ''$6,000'' and inserting in lieu thereof ''$10,000 with respect to such awards made for the academic year 1993–1994, to be adjusted annually thereafter in accordance with inflation as determined by the Department of Labor's Consumer Price Index for the previous calendar year''.

SEC. 905. AMENDMENTS TO PART D.

(a) AWARDS TO GRADUATE STUDENTS.—Section 945(a) of the Act is amended by inserting after ''any point in their graduate study'' the following: '', including students pursuing a doctoral degree after having completed a masters degree program at an institution of higher education,''.

(b) AMOUNT OF STIPENDS.—Section 945(b) of the Act is amended to read as follows:

''(b) AMOUNT OF STIPENDS.—The Secretary shall make payments to institutions of higher education for the purpose of paying stipends to individuals who are awarded fellowships under this subpart. The stipends the Secretary establishes shall reflect the purpose of this program to encourage highly talented students to undertake graduate study as described in this part. Such stipends shall be set at a level of support comparable to that provided by the National Science Foundation Graduate Fellowships, except such amount shall be adjusted as necessary so as not to exceed the fellow's demonstrated level of need according to measurements of need approved by the Secretary.''.

(c) ADDITIONAL ASSISTANCE.—Section 946 of the Act is amended to read as follows:

''ADDITIONAL ASSISTANCE FOR COST OF EDUCATION

''SEC. 946. (a) PAYMENTS AUTHORIZED.—The Secretary shall (in addition to stipends paid to individuals under this subpart) pay to the institution of higher education, for each individual awarded a fellowship at such institution, $10,000 with respect to such awards made for the academic year 1993–1994, to be adjusted annually thereafter in accordance with inflation as determined by the Department of Labor's Consumer Price Index for the previous calendar year.

''(b) USE FOR OVERHEAD PROHIBITED.—Funds made available pursuant to this part may not be used for the general operational overhead of the academic department or program.''.

SEC. 906. AMENDMENT TO PART E.

Section 951 of the Act is amended to read as follows:

''PROGRAM REQUIREMENTS

''SEC. 951. (a) PROGRAM AUTHORITY.—The Secretary shall carry out a program to assist minority, low income, or educationally disadvantaged college graduates to successfully pursue a law degree and service in the legal profession through an annual grant or contract with the Council on Legal Education Opportunity (hereinafter CLEO). A grant or contract under this part shall permit CLEO to use up to 6 percent of the funds provided for administrative costs of the grant or contract.

''(b) SERVICES AUTHORIZED.—A legal training project under this subpart may provide the following services—

''(1) assistance and counseling in gaining admission to accredited law schools;

''(2) a 6-week intensive summer program designed to prepare minority, low-income or educationally disadvantaged individuals for the successful completion of legal studies; or

''(3) an academic-year program of tutorial services, academic advice and counseling designed to assist eligible participants successfully complete their legal training, which may include but is not limited to—

''(A) instruction in reading, legal research, legal writing skills and problem analysis;

''(B) academic advice and assistance in course selection;

''(C) advisement about financing their legal education and available student financial aid;

''(D) personal and professional counseling relative to career alternatives in the legal profession and bar examination preparation; and

''(E) any other activity consistent with subparagraphs (A) through (D) which furthers the objectives of this subsection which the Secretary may, by regulation, reasonably require.

''(c) USE OF FUNDS.—The Secretary shall by grant or contract on a biennial basis, with the Council on Legal Education Opportunity, cover all or part of the cost of—

''(1) engaging in such activities as are reasonably designed to publicize the existence and availability of program funds to assist minority, low-income, and educationally disadvantaged individuals to pursue a legal education;

''(2) selecting minority, low-income and educationally disadvantaged individuals for training for the legal profession;

''(3) facilitating the entry of such individuals into law schools at institutions of higher education for the purpose of pursuing a legal education;

''(4) selecting from among all qualified applicants, which shall provide the services authorized by section 951(b)(2) or (3);

''(5) evaluating the quality, impact and continuing feasibility of the programs implemented under section 951(b);

''(6) providing, through the institutions, agencies, and organizations selected under paragraph (3), for not more than 6 months prior to entry of such individuals upon their course of training for the legal profession, or following entry, training designed to assist them to complete successfully such training for the legal profession;

''(7) paying such stipends (including allowances for participant travel and for their dependents) as the Secretary may determine for such individuals for any such period of preliminary training for the legal profession during which such individuals maintain satisfactory academic progress toward the J.D. or L.L.B. degree, as determined by the respective institution; and

''(8) paying for administrative activities of the institutions of higher education, agencies, or organizations which receive subgrants or contracts under paragraph (6), or with which such contracts are entered into, to the extent that such activities are for the purpose of furthering the activities described in paragraphs (1) through (7).''.

SEC. 907. AMENDMENTS TO PART F.

(a) PROGRAM AUTHORIZATION.—Section 961(a) of the Act is amended by striking out ''establishing or expanding'' and inserting in lieu thereof ''continuing, expanding, or establishing''.

(b) LIMITATION ON AMOUNTS.—Section 961(c) is amended by striking out ''$100,000'' and inserting in lieu thereof ''$250,000''.

SEC. 908. ADDITION OF NEW PART; AUTHORIZATION OF APPROPRIATIONS.

Title IX of the Act is further amended by striking part G and inserting the following:

''PART G—GRANTS TO INSTITUTIONS TO ENCOURAGE MINORITIES TO ENTER THE HIGHER EDUCATION PROFESSORATE

''SEC. 971. PROGRAM AUTHORIZED.

''The Secretary shall make grants to institutions of higher education or to nonprofit organizations associated with institutions of higher education with a demonstrated record of enhancing minority access to graduate education to enable such institutions, in consortia with historically black colleges and universities and other institutions with significant enrollments of African Americans, Asian Americans, Hispanic Americans, Native Hawaiians, Pacific Islanders, and Native Americans, to identify talented minority undergraduate students and faculty who wish to enter or continue in the higher education professorate, and to provide such students with stipends and a fellowship to assist them in obtaining the doctoral degree and teach in an institution of higher education.

''SEC. 972. DESIGNATION OF FELLOWS.

''Students receiving awards under this part shall be known as 'Faculty Development Fellows'.

''SEC. 973. APPLICATIONS AND AWARDS.

''(a) REQUIRED INFORMATION.—Each applicant institution of higher education or nonprofit organization shall submit an application under this part to the secretary containing the following information—

''(1) the names of those undergraduate institutions which are historically or predominantly black colleges and universities or other institutions with significant enrollments of African Americans, Asian Americans, Hispanic Americans, Native Hawaiians, Pacific Islanders, and Native Americans which have agreed to cooperate with the applicant institution to carry out the purposes of this part;

''(2) the institution's plan for identifying and recruiting minority faculty and talented minority undergraduates who might participate in the program;

''(3) the program or programs of doctoral study that the institution plans to offer in its doctoral program;

''(4) the institution's plan for using current minority faculty and other faculty as mentors and academic resources in support of the program;

''(5) other institutional resources, including tuition waivers, assistantships or financial aid other than loans, that the institution will make available to successful Faculty Development Fellowship applicants; and

''(6) such other assurances and information as the Secretary may reasonably require by regulation.

''(b) SELECTION REQUIREMENTS.—In making awards to institutions, the Secretary shall give priority to those applications which include the following—

''(1) provide a tuition waiver and a minimum $2,000 stipend to each Faculty Development Fellow;

''(2) provide additional financial support to the Faculty Development Fellow from non-Federal resources, either in cash or in kind, such as contributions from the business community and civic organizations;

''(3) emphasize courses of study leading to the doctoral degrees in disciplines where minorities are underrepresented; and

''(4) ensure that the Faculty Development Fellow will teach in an institution of higher education where minority undergraduate students are likely to benefit from the educational experience and academic achievements of the Faculty Development Fellow.

''(c) GEOGRAPHIC DISTRIBUTION.—The Secretary shall ensure an equitable geographic distribution among the institutional awards and that both public and private institutions are fairly represented among the recipients.

''(d) WAIVER BY THE SECRETARY.—The Secretary may waive all or any portion of the requirement under section 973(b)(1) upon application of any institution which is eligible for funds under title III of this Act, pursuant to criteria established by the Secretary by regulation.

''SEC. 974. FELLOWSHIPS.

''Each institution of higher education or consortium receiving a grant under this subpart shall award fellowships in an amount equal to $15,000, or an amount based on the financial need of the recipient (as determined by the institution in accordance with measurements of need approved by the Secretary) whichever is less.

''SEC. 975. TEACHING REQUIREMENT.

''Each Faculty Development Fellowship recipient shall enter into an agreement with the host institution awarding the fellowship (and the sending institution if the Faculty Development Fellow is a current faculty member), under which the fellowship recipient shall—

''(1) within a 5-year period after completing the doctorate degree for which the Faculty Development Fellowship was awarded, teach, for a period of not less than 1 year for each year for which financial assistance was received, in a public or private nonprofit institution of higher education, or in the case of a for-profit institution, one that offers at least the Associate of Arts degree;

''(2) provide the institution of higher education that awarded the fellowship, with evidence of compliance with section 975(1); and

''(3) repay all or part of the Faculty Development Fellowship received pursuant to this part, plus interest, and if applicable reasonable collection fees, under regulations issued by the Secretary, in the event the conditions of section 976 are not met, except insofar as provided in section 976.

''SEC. 976. CONSEQUENCES OF NONCOMPLIANCE.

''Recipients found by the Secretary to be in noncompliance with the agreement entered into under section 975 of this part shall be required to repay to the Federal Government a pro rata amount of the fellowship awards provided from Federal sources plus interest (but in no event at an interest rate higher than the rate applicable to loans in the applicable period under part B of title IV) and where applicable, reasonable collection fees, on a schedule and at a rate of interest to be prescribed by the Secretary by regulations issued pursuant to this subpart.

''SEC. 977. EXCEPTIONS TO REPAYMENT PROVISIONS.

''(a) DEFERRAL DURING CERTAIN PERIODS.—A recipient shall not be considered in violation of the agreement entered into pursuant to section 974 during any period in which the recipient—

''(1) is pursuing a full-time course of study related to the field of teaching at an eligible institution;

''(2) is serving, not in excess of 3 years, as a member of the armed services of the United States;

''(3) is temporarily totally disabled for a period of time not to exceed 3 years as established by sworn affidavit of a qualified physician;

''(4) is unable to secure employment for a period not to exceed 12 months by reason of the care required by a spouse who is disabled;

''(5) is seeking and unable to find full-time employment for a single period not to exceed 12 months;

''(6) is engaged in full-time employment as a teacher in a public or private nonprofit preschool, elementary or secondary school, or a public or private nonprofit preschool, education program; or

''(7) satisfies the provisions of additional repayment exceptions that may be prescribed by the Secretary in regulations issued pursuant to this subpart.

''(b) FORGIVENESS IF PERMANENTLY TOTALLY DISABLED.—A recipient shall be excused from repayment of any fellowship assistance received under this subpart if the recipient becomes permanently totally dis-

abled as established by sworn affidavit of a qualified physician.

"PART H—AUTHORIZATION OF APPROPRIATIONS

"SEC. 981. AUTHORIZATION OF APPROPRIATIONS.

''(a) PART A.—There are authorized to be appropriated to carry out part A $25,000,000 for fiscal year 1993, and such sums as may be necessary for the 4 succeeding fiscal years.

''(b)(1) PART B SUBPART 1.—There are authorized to be appropriated to carry out subpart 1 of part B $50,000,000 for fiscal year 1993, and such sums as may be necessary for the 4 succeeding fiscal years.

''(2) PART B SUBPART 2.—There are authorized to be appropriated to carry out subpart 2 of part B $50,000,000 for fiscal year 1993, and such sums as may be necessary for the 4 succeeding fiscal years.

''(c) PART C.—There are authorized to be appropriated to carry out part C $50,000,000 for fiscal year 1993, and such sums as may be necessary for the 4 succeeding fiscal years.

''(d) PART D.—There are authorized to be appropriated to carry out part D $50,000,000 for fiscal year 1993, and such sums as may be necessary for the 4 succeeding fiscal years.

''(e) PART E.—There are authorized to be appropriated to carry out part E $10,000,000 for fiscal year 1994, and such sums as may be necessary for the 4 succeeding fiscal years.

''(f) PART F.—There are authorized to be appropriated to carry out part F $10,000,000 for fiscal year 1993, and such sums as may be necessary for the 4 succeeding fiscal years.

''(g) PART G.—There are authorized to be appropriated to carry out part G $25,000,000 for fiscal year 1993, and such sums as may be necessary for the 4 succeeding fiscal years.''.

TITLE X—POSTSECONDARY IMPROVEMENT PROGRAM

SEC. 1001. AMENDMENTS TO PART A.

(a) PLANNING GRANTS.—Section 1001 of the Act is amended—

(1) by inserting ''(a)'' after ''SEC. 1001.'';

(2) by striking ''postsecondary'' in the matter preceding paragraph (1) and inserting ''higher''; and

(3) by adding at the end the following new subsection:

''(b)(1) The Secretary is authorized to make planning grant to institutions of higher education for the development and testing of innovative techniques in postsecondary education.

''(2) Such grants shall not exceed $20,000.''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 1005 of the Act is amended to read as follows:

''AUTHORIZATION OF APPROPRIATIONS

''SEC. 1005. (a) There are authorized to be appropriated to carry out this part (except for section 1001(b)) $20,000,000 for fiscal year 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

''(b) There are authorized to be appropriated to carry out section 1001(b) $1,000,000 for fiscal year 1993 and such sums as may be necessary for the 4 succeeding fiscal years.''.

SEC. 1002. AMENDMENTS TO PART B.

(a) MINORITY SCIENCE IMPROVEMENT PROGRAMS.—Section 1021(b) of the Act is amended by inserting ''and minority women'' after ''ethnic minorities''.

(b) SCIENCE AND ENGINEERING ACCESS.—Section 1033(5) of the Act is amended by inserting '', particularly minority women,'' after ''minority students''.

(c) REAUTHORIZATION OF PART B.—Section 1047 of the Act is amended to read as follows:

''AUTHORIZATION OF APPROPRIATIONS

''SEC. 1047. (a) AUTHORIZATIONS.—There are authorized to be appropriated to carry out the purposes of this part, $10,000,000 for fiscal year 1993, and such sums as may be necessary for the 4 succeeding fiscal years.

''(b) APPROPRIATION LIMITATION.—For any fiscal year, 50 percent of the funds under this part shall be allocated for the purpose of section 1021, 33.33 percent for the purpose of section 1031, and 16.67 percent for the purpose of section 1032.''.

SEC. 1003. AMENDMENT TO PART C.

Part C of title X of the Act is amended to read as follows:

''PART C—SPECIAL PROJECTS IN AREAS OF NATIONAL NEED

''SEC. 1061. (a) The Secretary is authorized to make grants to institutions of higher education, or consortia thereof, and such other public agencies and nonprofit organizations as the Secretary deems necessary for innovative projects concerning one or more areas of particular national need identified by the Secretary and the Director of the Fund.

''(b) No grant shall be made under this part unless an application is made at such time, in such manner, and contains or is accompanied by such information as the Director may require.

''(c) Areas of national need shall initially include, but shall not be limited to the following:

''(1) International exchanges.

''(2) Campus climate and culture.

''(3) Evaluation and dissemination.

''(d) There are authorized to be appropriated to carry out this part $5,000,000 for fiscal year 1993 and such sums as may be necessary for the 4 succeeding fiscal years.''.

SEC. 1004. WOMEN AND MINORITIES SCIENCE AND ENGINEERING OUTREACH DEMONSTRATION PROGRAM.

Title X of the Act is amended by adding at the end the following new part:

"PART D—WOMEN AND MINORITIES SCIENCE AND ENGINEERING OUTREACH DEMONSTRATION PROGRAM

"SEC. 1071. PURPOSE.

''It is the purpose of this part to provide grants to institutions of higher education working in partnership with elementary and secondary schools to establish outreach programs for female and minority elementary and secondary students to increase the participation of those students in science and engineering undergraduate and graduate degree programs.

"SEC. 1072. PROGRAM AUTHORIZED.

''The Secretary shall, in accordance with the provision of this part, carry out a program of providing grants to institutions of higher education that are designed to enhance, coordinate, develop, and expand programs and initiatives which identity and encourage female and minority elementary and secondary students to pursue higher education in preparation for careers in science and engineering. The Secretary is authorized to award grants for women and minority science and engineering outreach demonstration programs to institutions meeting the eligibility criteria defined in section 1073.

"SEC. 1073. ELIGIBLE INSTITUTIONS.

''(a) IN GENERAL.—The Secretary shall provide grants under this program to institutions which meet the following selection criteria:

''(1) Grantees shall be institutions of higher education with science and engineering programs.

''(2) Grantees shall have female and minority enrollment and retention rates significantly higher than national averages but shall not meet the definition for 'minority institution' established in part B of this title.

''(3) Grantees shall demonstrate their ability to conduct outreach activities in science and engineering to female and minority students at the elementary and secondary levels.

''(4) Grantees shall incorporate the use of advanced telecommunications equipment, including fiber optics and interactive video systems, to improve the development of intermodal programs targeted toward female and minority students.

''(5) Grantees shall enter into a partnership agreement with a local educational agency and at least 1 local business or industry and the duties of each partner in the consortium shall be defined in the institution's application to the Secretary.

''(b) LIMITATION.—The Secretary shall award no less than 40 percent of the total funds made available under this section to eligible institutions in the Nation's ten largest metropolitan statistical areas, where minority elementary and secondary school student populations exceed the national average and where the female elementary and secondary school student population's performance in mathematics and science has been consistently below that of the male student population.

"SEC. 1074. AMOUNT, DURATION, AND USE OF FUNDS.

''(a) AMOUNT AND DURATION OF GRANTS.—Grants provided under this section should be no less than $500,000 in a single fiscal year, and shall be continued for a period not to exceed 5 fiscal years.

''(b) USE OF GRANTS.—Grants provided under this section may be used for:

''(1) The operation and administration of outreach programs to elementary and secondary students.

''(2) Faculty development programs in support of outreach programs.

''(3) Curriculum development in support of the outreach programs.

''(4) Disseminating information about the outreach programs to elementary and secondary schools and institutions of higher education.

''(5) Supporting cooperative efforts with elementary and secondary schools, community groups, business and industry and other education-related groups, to expand the scope of the outreach programs.

''(6) Establishing infrastructure necessary to operate programs, specifically including telecommunications equipment providing distance learning capabilities.

"SEC. 1075. APPLICATION.

''To receive a grant under this section, an eligible institution shall submit an application at such time, in such manner, and containing or accompanied by such information, as the Secretary may reasonably require.

"SEC. 1076. EVALUATION.

''(a) INDEPENDENT ANNUAL EVALUATION.—The Secretary shall provide for the annual independent evaluation of programs under this part to determine their effectiveness in providing—

''(1) the operation and administration of outreach programs to elementary and secondary students;

''(2) faculty development programs in support of outreach programs;

''(3) curriculum development in support of the outreach programs;

''(4) disseminating information about the outreach programs to elementary and secondary schools and institutions of higher education;

''(5) supporting cooperative efforts with elementary and secondary schools, community groups, business and industry and other education-related groups, to expand the scope of outreach programs; and

''(6) establishing infrastructure necessary to operate programs, specifically including telecommunications equipment providing distance learning capabilities.

''(b) CRITERIA.—(1) Each evaluation shall be conducted by individuals not directly involved in the administration of the program or project operated under this part. Such independent evaluators and the program ad-

ministrators shall jointly develop evaluation criteria which provide for appropriate analysis of the factors under subsection (a). When possible, each evaluation shall include comparisons with appropriate control groups.

''(2) In order to determine a program's effectiveness in achieving its stated goals, each evaluation shall contain objective measures of such goals and, where feasible, shall obtain the specific views of program participants about such programs.

''(c) REPORT TO CONGRESS AND DISSEMINATION.—The Secretary shall prepare and submit to the Congress a review and summary of the results of such evaluations not later than September 30, 1997.

"SEC. 1077. FEDERAL SHARE.

''The Federal share of programs assisted under this part shall be 90 percent in the first year, 80 percent in the second year, 70 percent in the third year, 60 percent in the fourth year, and 50 percent in the fifth year. The remaining funds shall be provided from non-Federal sources.

"SEC. 1078. SUPPLEMENT/NOT SUPPLANT.

''An institution of higher education or a local educational agency may use funds received under this part only so as to supplement and, to the extent practicable, increase the level of funds that would be available from non-Federal sources for the uses of funds under this part and in no case may such funds be so used as to supplant such funds from such non-Federal sources.

"SEC. 1079. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this part, $25,000,000 for fiscal year 1993, and such sums as may be necessary for each of the 4 succeeding fiscal years. Not more than 3 percent of the amount appropriated for any fiscal year may be used for purposes of section 1076.''.

TITLE XI—STUDENT COMMUNITY SERVICE

SEC. 1101. REVISION OF TITLE.

(a) AMENDMENT.—Title XI of the Act is amended to read as follows:

"TITLE XI—STUDENT COMMUNITY SERVICE

"PART A—HIGHER EDUCATION INNOVATIVE PROJECTS FOR COMMUNITY SERVICE

"SEC. 1101. HIGHER EDUCATION INNOVATIVE PROJECTS FOR COMMUNITY SERVICE.

''(a) PURPOSE.—It is the purpose of this part to support innovative projects to encourage students to participate in community service activities while such students are attending institutions of higher education.

''(b) GENERAL AUTHORITY.—The Secretary of Education, after consultation with the Commission on National Service to insure coordination of activities, is authorized to make grants to, and enter into contracts with, institutions of higher education (including a combination of such institutions) and other public agencies and nonprofit organizations working in partnership with institutions of higher education—

''(1) to enable the institution to create or expand community service activities for students attending that institution;

''(2) to encourage student-initiated and student-designed community service projects;

''(3) to encourage students to participate in community service activities that will engender a sense of social responsibility and commitment to the community;

''(4) to encourage students to assist in the teaching of individuals with limited basic skills or an inability to read and write; and

''(5) to provide for the training of teachers, prospective teachers, related education personnel, and community leaders in the skills necessary to develop, supervise, and organize community service activities, taking into consideration the particular needs of a community and the ability of the grantee to actively involve a major part of the community in, and substantially benefit the community by, the proposed community service activities.

''(c) FEDERAL SHARE.—

''(1) IN GENERAL.—The Federal share of each grant awarded under this section shall not exceed 50 percent of the cost of the community service activities carried out with each such grant.

''(2) NON-FEDERAL SOURCES.—That portion of the costs of programs that receive assistance under this part that are to be paid from sources other than Federal funds may be paid in cash or in kind (fairly evaluated).

''(d) APPLICATION FOR GRANT.—To receive a grant under this part, an applicant shall prepare and submit to the Secretary, an application at such time, in such manner, and containing such information as the Secretary may reasonably require, including—

''(1) a description of the proposed program to be established with assistance provided under the grant;

''(2) a description of the human, educational, environmental or public safety service that participants will perform and the community need that will be addressed under such program;

''(3) a description of the procedure for training supervisors and participants and for supervising and organizing participants in such proposed program;

''(4) a description of the budget for the program; and

''(5) assurances that, prior to the placement of a participant in the program, the applicant will consult with any local labor organization representing employees, with any employers, and with any business organizations in the area who are engaged in the same or similar work or business as that proposed to be carried out by such project.

''(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for the purposes of carrying out part A, $15,000,000 for fiscal year 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

"PART B—STUDENT LITERACY CORPS AND STUDENT MENTORING CORPS

"SEC. 1111. PURPOSE.

''It is the purpose of this part to provide financial assistance to institutions of higher education to promote the development of literacy corps programs and mentoring corps programs to be operated by institutions of higher education in public community agencies in the communities in which such institutions are located.

"SEC. 1112. LITERACY CORPS PROGRAM AND MENTORING CORPS PROGRAM.

''(a) GENERAL AUTHORITY.—From the amount appropriated pursuant to section 1116 for any fiscal year, the Secretary is authorized, in accordance with the provisions of this part, to make grants to institutions of higher education for not to exceed 4 years to carry out literacy corps programs or mentoring corps program.

''(b) LIMITATION.—An institution of higher education shall only receive 1 grant under this part in each fiscal year.

''(c) CONTINUATION OF LITERACY PROGRAM.—Grants under this section are renewable upon application by the institution of higher education in accordance with section 1114.

''(d) FEDERAL SHARE.—

''(1) IN GENERAL.—The Federal share of carrying out student literacy corps programs under this part shall be—

''(A) up to 100 percent for an initial grant to an institution of higher education; and

''(B) up to 75 percent for a grant renewed under subsection (c).

''(2) NON-FEDERAL SHARE.—The non-Federal share of carrying out student literacy corps programs under this part may be paid from any non-Federal sources.

"SEC. 1113. USES OF FUNDS.

''(a) IN GENERAL.—Funds made available under this part may be used for—

''(1) grants to institutions of higher education for—

''(A) the costs of participation of institutions of higher education in the literacy corps program or mentoring corps program for which assistance is sought; and

''(B) stipends for student coordinators engaged in the literacy corps program or mentoring corps program for which assistance is sought; and

''(2) technical assistance, collection and dissemination of information, and evaluation in accordance with section 1115.

''(b) LIMITATIONS.—(1) No grant under this part to an institution of higher education may exceed $100,000.

''(2) No institution of higher education may expend more than $25,000 of a grant made under this part in the first year in which the institution receives such a grant.

"SEC. 1114. APPLICATIONS.

''(a) APPLICATION REQUIRED.—Each institution of higher education desiring to receive a grant under this part shall submit an application to the Secretary, at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require.

''(b) CONTENTS OF APPLICATION.—

''(1) LITERACY CORPS.—Each application shall—

''(A) contain assurances that the institution will use the grant in accordance with section 1113;

''(B) contain adequate assurances that—

''(i) the institution has established 1 or more courses of instruction for academic credit which are designed to combine the training of undergraduate students in various academic departments such as social sciences, economics, and education with experience as tutors;

''(ii) such individuals will be required, as a condition of receiving credit in such course, to perform, for each credit, not less than 2 hours a week, of voluntary, uncompensated service during the academic term in a public community agency as a tutor in such agency's educational or literacy program;

''(iii) such tutoring service will be supplementary to the existing instructional services, offered in a structured classroom setting, and furnished under the supervision of qualified personnel; and

''(iv) the institution will locate such tutoring services in one or more public community agencies which serve educationally or economically disadvantaged individuals and individuals with disabilities and, as provided in section 1116, will give priority in providing tutoring services to—

''(I) educationally disadvantaged students receiving services under chapter 1 of title I of the Elementary and Secondary Education Act of 1965;

''(II) students with disabilities; and

''(III) illiterate parents of educationally or economically disadvantaged elementary school students, with special emphasis on single-parent households; and

''(C) demonstrate that the institution of higher education has participated, prior to applying for a grant under this part, in community service activities, including the conduct of a cooperative education program; and

''(D) contain such other assurances as the Secretary may reasonably require.

''(2) MENTORING CORPS.—Each application shall—

''(A) contain assurances that the institution will use the grant in accordance with section 1113;

''(B) contain adequate assurances that—

''(i) the institution has established 1 or more courses of instruction for academic credit which are designed to combine the training of undergraduate students of various academic departments with experience as mentors;

''(ii) such individuals will be required, as a condition of receiving credit in such course, to perform not less than 60 hours of voluntary, uncompensated service during the academic term as a mentor to economically disadvantaged children and youth;

''(iii) such mentoring will be complimentary to the existing instructional services offered in a structured classroom setting, and will include structured and informal activities geared towards improving the academic, social and emotional development of children in the programs;

''(iv) the institution will locate public community agencies or elementary/secondary schools which serve educationally or economically disadvantaged youth and, as provided in section 1116, will give priority in providing mentoring services to economically disadvantaged children and youth through community-based organizations or elementary/secondary schools;

''(C) demonstrate that the institution of higher education has participated, prior to applying for a grant under this part, in community service activities, including the conduct of a cooperative education program; and

''(D) contain such other assurances as the Secretary may reasonably require.

''(c) WAIVER.—The Secretary may, upon request of an institution of higher education which does not meet the requirements of clause (3) of subsection (b), grant a waiver of the requirement under such clause if the institution of higher education provides assurances that—

''(1) the institution of higher education has conducted another significant program which involves community outreach and service; or

''(2) its failure to engage in community service related programs or activities prior to making application under this part will not impede the ability of the institution to engage in the outreach efforts necessary to carry out the requirements of this part.

An institution of higher education may apply for a waiver as part of the application described in subsection (b).

''(d) REOPENING OF APPLICATION PROCESS.—The Secretary shall accept applications for assistance under this part for 90 days following the date of enactment of this Act.

''SEC. 1115. TECHNICAL ASSISTANCE AND COORDINATION CONTRACT.

''To the extent that funds are available therefor pursuant to section 1116, the Secretary may, directly or by way of grant, contract, or other arrangement—

''(1) provide technical assistance to grant recipients under this part;

''(2) collect and disseminate information with respect to programs assisted under this part; and

''(3) evaluate such programs and issue reports on the results of such evaluations.

''SEC. 1116. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out the provisions of this part $15,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

''SEC. 1117. DEFINITION.

''For the purpose of this part—

''(1) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' (as defined in section 1201 of this Act), in the case of an institution of higher education with a branch campus, means, at the election of the institution—

''(A) a branch campus of the institution, or

''(B) the institution.

''(2) PUBLIC COMMUNITY AGENCY.—The term 'public community agency' means an established community agency with an established program of instruction such as elementary and secondary schools, Head Start centers, prisons, agencies serving youth, and agencies serving the handicapped, including disabled veterans.

''PART C—INNOVATIVE PROJECTS FOR COMMUNITY SERVICES AND STUDENT FINANCIAL INDEPENDENCE

''SEC. 1121. STATEMENT OF PURPOSE.

''It is the purpose of this part to support innovative projects in order to determine the feasibility of encouraging student participation in community service projects in exchange for educational services or financial assistance and thereby reduce the debt acquired by students in the course of completing postsecondary educational programs.

''SEC. 1122. INNOVATIVE PROJECTS FOR COMMUNITY SERVICES AND STUDENT FINANCIAL INDEPENDENCE.

''(a) GENERAL AUTHORITY.—The Secretary is authorized, in accordance with the provisions of this part, to make grants to and contracts with institutions of higher education (including combinations of such institutions) and with such other public agencies and nonprofit private organizations as the Secretary deems necessary for innovative projects designed to carry out the purpose of this part.

''(b) APPLICATIONS.—No grant may be made and no contract may be entered into under this section unless an application is made at such time, in such manner, and contained or accompanied by such information as the Director may require.

''(c) APPLICABLE PROCEDURES.—(1) No application may be approved under subsection (b) unless the National Board of the Fund for Improvement of Postsecondary Education, under procedures established by the Director, approves the application.

''(2) The provisions of section 1004(b) shall apply to grants made under this part.

''(d) DEFINITIONS.—For the purposes of this part, the term 'Director' means the director of the Fund for the Improvement of Postsecondary Education.

''SEC. 1123. AUTHORIZATION OF APPROPRIATIONS.

''(a) There are authorized to be appropriated to carry out this part, $5,000,000 for fiscal year 1993, and such sums as may be necessary for the 4 succeeding fiscal years.

''(b) No funds may be appropriated pursuant to subsection (a) for any fiscal year unless funds are appropriated for part A of this title for such fiscal year.

''PART D—COMMUNITY SERVICE-LEARNING

''SEC. 1131. PROGRAM AUTHORITY.

''(a) PURPOSE.—The purpose of this part is—

''(1) to encourage and enable institutions of higher education to develop workstudy programs involving eligible students in community service-learning designed to develop, improve, or expand services for low-income individuals and families or to solve particular problems related to the needs of low-income individuals; and

''(2) to enable institutions to establish or expand a program under which such institution, separately or in combination with other eligible institutions and through formal or informal consultation with local nonprofit, governmental, educational, and community-based organizations, locates and develops community services jobs for students receiving assistance under part C of title IV.

''(b) DEFINITIONS.—For the purpose of this part—

''(1) 'community service-learning program' means a program of student work that—

''(A) provides tangible community services for or on behalf of low-income individuals or families; and

''(B) to the maximum extent practicable, provides participating students with work-learning opportunities which complement and reinforce their educational programs or vocational goals; and

''(2) 'community services' means services which are identified by an institution of higher education, through formal or informal consultation with local nonprofit, governmental, and community-based organizations, as designed to improve the quality of life for community residents, particularly low-income individuals, or to solve particular problems related to their needs including, but not limited to, such fields as health care, child care, literacy training, education (including tutorial services), welfare, social services, transportation, housing and neighborhood improvement, public safety, crime prevention and control, recreation, rural development, and community improvement.

''(c) COMMUNITY SERVICE JOB LOCATION AND DEVELOPMENT PROGRAM.—The Secretary is authorized to enter into agreements with eligible institutions to provide a program under paragraph (2) of subsection (a) of this part, which agreement shall—

''(1) provide that the Federal share of the cost of any program under this section will not exceed 80 percent of such cost;

''(2) provide satisfactory assurance that funds available under this section will not be used for the location or development of jobs for students to obtain upon graduation, but rather for the location and development of jobs available to students during and between periods of attendance at such institution;

''(3) provide satisfactory assurance that the location or development of jobs pursuant to programs assisted under this part will not result in the displacement of employed workers or impair existing contracts for service;

''(4) provide satisfactory assurance that Federal funds used for the purpose of this part can realistically be expected to help generate student wages exceeding, in the aggregate, the amount of such funds, and that if such funds are used to contract with another organization, appropriate performance standards are part of such contract; and

''(5) provide that the institution will submit to the Secretary an annual report on the uses made of funds provided under this part and an evaluation of the effectiveness of such program in benefiting the students of such institution.

''(d) USE OF FUNDS.—The Secretary shall not regulate the amount or the proportion of funds available to eligible institutions, under this section, that they may use to carry out the activities described in subsections (a), (c), and (e). Such uses of funds shall be solely determined by each such institution.

''(e) USE OF FUNDS TO CONDUCT PROGRAM.—Each institution participating under this part may use funds made available under section 442(e) to conduct that institution's program of community service-learning, including—

''(1) development of mechanisms to assure the academic quality of the student experience,

''(2) assuring student access to educational resources, expertise, and supervision necessary to achieve community service objectives, and

''(3) collaboration with public and private nonprofit agencies in the planning, development, and administration of such programs.

"PART E—GRANTS FOR SEXUAL OFFENSES EDUCATION

"SEC. 1171. GRANTS FOR CAMPUS SEXUAL OFFENSES EDUCATION.

''(a) IN GENERAL.—(1) The Secretary of Education is authorized to make grants to or enter into contracts with institutions of higher education for sexual offenses education and prevention programs under this section.

''(2) The Secretary shall make financial assistance available on a competitive basis under this section. An institution of higher education or consortium of such institutions which desires to receive a grant or enter into a contract under this section shall submit an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require in accordance with regulations.

''(3) The Secretary shall make every effort to ensure the equitable participation of private and public institutions of higher education and to ensure the equitable geographic participation of such institutions. In the award of grants and contracts under this section, the Secretary shall give priority to institutions who show the greatest need for the sums requested.

''(b) GENERAL SEXUAL OFFENSES PREVENTION AND EDUCATION GRANTS.—Grants may be used for the following purposes:

''(1) to provide training for campus security and college personnel, including campus disciplinary or judicial boards, that address the issues of sexual offenses;

''(2) to develop, disseminate, or implement campus security and student disciplinary policies to prevent and discipline sexual offense crimes;

''(3) to develop, enlarge, or strengthen support services programs including medical or psychological counseling to assist victims' recovery from sexual offense crimes;

''(4) to create, disseminate, or otherwise provide assistance and information about victims' options on and off campus to bring disciplinary or other legal action; and

''(5) to implement, operate, or improve sexual offense education and prevention programs, including programs making use of peer-to-peer education.

''(c) MODEL GRANTS.—Not less than 25 percent of the funds authorized under this section shall be available for grants for model demonstration programs to be coordinated with local rape crisis centers for the development and implementation of quality rape prevention and education curricula and for local programs to provide services to student sexual offense victims.

''(d) ELIGIBILITY.—No institution of higher education or consortium of such institutions shall be eligible for a grant under this section unless—

''(1) its student code of conduct, or other written policy governing student behavior explicitly prohibits all forms of sexual offenses;

''(2) it has in effect and implements a written policy requiring the disclosure of the victim of any sexual offense the outcome of any investigation by campus police or campus disciplinary proceedings brought pursuant to the victim's complaint against the alleged perpetrator of the sexual offense, except that nothing in this section shall be interpreted to authorize disclosure to any person other than the victim; and

''(3) the Secretary shall give priority to those grant applicants who do not have an established campus education program regarding sexual offenses.

''(e) APPLICATIONS.—(1) In order to be eligible to receive a grant under this section for any fiscal year, an institution of higher education, or consortium of such institutions, shall submit an application to the Secretary at such time and in such manner as the Secretary shall prescribe.

''(2) Each such application shall—

''(A) set forth the activities and programs to be carried out with funds granted under this part;

''(B) contain an estimate of the cost for the establishment and operation of such programs;

''(C) explain how the program intends to address the issue of sexual offenses;

''(D) provide assurances that the Federal funds made available under this section shall be used to supplement and, to the extent practical, to increase the level of funds that would, in the absence of such Federal funds, be made available by the applicant for the purpose described in this part, and in no case to supplant such funds; and

''(E) include such other information and assurances as the Secretary reasonably determines to be necessary.

''(f) GRANTEE REPORTING.—Upon completion of the grant period under this section, the grantee institution or consortium of institutions shall file a performance report with the Secretary explaining the activities carried out together with an assessment of the effectiveness of those activities in achieving the purposes of this section. The Secretary shall suspend funding for an approved application if an applicant fails to submit an annual performance report.

''(g) DEFINITIONS.—For purposes of this part, the term 'sexual offenses educational and prevention' includes programs that provide education seminars, peer-to-peer counseling, operation of hotlines, self-defense courses, the prepartion of informational materials, and any other effort to increase campus awareness of the facts about, or to help prevent, sexual offenses.

''(h) GENERAL TERMS AND CONDITIONS.—

''(1) REGULATIONS.—No later than 45 days after the date of enactment of this section, the Secretary shall publish proposed regulations implementing this section. No later than 120 days after such date, the Secretary shall publish final regulations implementing this section.

''(2) REPORTS TO CONGRESS.—No later than 180 days after the end of each fiscal year for which grants are made under this section, the Secretary shall submit to the committees of the House of Representatives and the Senate reponsible for issues relating to higher education and to crime, a report that includes—

''(A) the amount of grants made under this section;

''(B) a summary of the purposes for which those grants were provided and an evaluation of their progress; and

''(C) a copy of each grantee report filed pursuant to subsection (f) of this section.

''(3) For the purpose of carrying out this subchapter, there are authorized to be appropriated $20,000,000 for the fiscal year 1993, and such sums as may be necessary for each of the 4 succeeding fiscal years.

"PART F—DWIGHT D. EISENHOWER LEADERSHIP PROGRAM

"SEC. 1181. SHORT TITLE; ESTABLISHMENT OF THE PROGRAM.

''(a) SHORT TITLE.—This part may be cited as the 'Dwight D. Eisenhower Leadership Development Act of 1992'.

''(b) ESTABLISHMENT OF PROGRAM.—

''(1) IN GENERAL.—The Secretary shall establish a program to be known as the 'Dwight D. Eisenhower Leadership Development Program'.

''(2) SPECIAL RULE.—The program assisted under this part shall be established in conjunction with institutions of higher education which are specially prepared to undertake the development of new generations of leaders in the areas of national and international affairs.

''(c) FUNCTIONS OF THE PROGRAM.—The functions of the program assisted under this part shall include—

''(1) stimulating and supporting the development of leadership skills among new generations of American college students;

''(2) directing a national program that identifies, recruits, inspires, and educates outstanding young men and women regarding leadership roles in a wide variety of fields in both the public and private sectors;

''(3) offering opportunities for young, needy, American leaders, with a priority given to those who qualify for assistance under title IV of this Act, to benefit from internships in national and international organizations, with special attention being given to establishing such opportunities in developing countries;

''(4) developing curriculum for secondary and postsecondary education;

''(5) developing a prototype for understanding and teaching critical leadership skills to young Americans and encouraging institutions of higher education to establish similar leadership programs throughout the United States and abroad; and

''(6) stimulating the theoretical and practical study of leadership and leadership development to develop both a better understanding of leadership and improved methods to teach critical skills to young adults.

''(d) OPERATION OF THE PROGRAM.—The Secretary is authorized to make grants to or enter into cooperative agreements, contracts, or leases with institutions of higher education (as defined in section 1201 of this title) or with nonprofit private organizations in consortia with such institutions to operate the program assisted under this part.

''(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $10,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out this part.''.

(b) CONFORMING AMENDMENT.—Section 118 of the National and Community Service Act of 1990 is repealed.

TITLE XII—GENERAL PROVISIONS

SEC. 1201. DEFINITIONS.

(a) INSTITUTION OF HIGHER EDUCATION.—Section 1201(a) of the Act is amended—

(1) in the first sentence, by striking '', or if not so accredited'' through ''institution so accredited''; and

(2) in the last sentence—

(A) by inserting after ''quality of'' in the last sentence ''the education or''; and

(B) by inserting before the period '', pursuant to section 1205''.

(b) CROSS REFERENCE DEFINITIONS.—Section 1201 of the Act is amended—

(1) by redesignating subsections (l) and (m) as subsections (m) and (n), respectively; and

(2) by striking subsections (d) through (k) and inserting the following:

''(d) The term 'secondary school' has the same meaning given that term under section 1471(21) of the Elementary and Secondary Education Act of 1965.

''(e) The term 'Secretary' means the Secretary of Education.

''(f) The term 'local educational agency' has the same meaning given that term under section 1471(12) of the Elementary and Secondary Education Act of 1965.

''(g) The term 'State educational agency' has the same meaning given that term under section 1471(23) of the Elementary and Secondary Education Act of 1965.

''(h) The term 'elementary school' has the same meaning given that term under section 1471(8) of the Elementary and Secondary Education Act of 1965.

''(i) The term 'combination of institutions of higher education' means a group of insti-

tutions of higher education that have entered into a cooperative arrangement for the purpose of carrying out a common objective, or a public or private nonprofit agency, organization, or institution designated or created by a group of institutions of higher education for the purpose of carrying out a common objective on their behalf.

''(j) The term 'gifted and talented children' has the same meaning given that term under section 4103(1) of the Elementary and Secondary Education Act of 1965.

''(k) The term 'disability' shall have the same meanings as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102).

''(l) The term 'special education teacher' means teachers who teach children with disabilities as defined in the Individuals With Disabilities Education Act.''.

SEC. 1202. ANTIDISCRIMINATION.

Section 1202 of the Act is amended—

(1) by inserting ''(a) IN GENERAL.—'' after ''SEC. 1202.''; and

(2) by adding at the end the following:

''(b) LIMITATIONS ON STATUTORY CONSTRUCTION.—Nothing in this Act shall be construed to limit the rights or responsibilities of any individual under the Americans With Disabilities Act of 1990, the Rehabilitation Act of 1973, or any other law.''.

SEC. 1203. THE NATIONAL ADVISORY COMMITTEE ON ACCREDITATION AND INSTITUTIONAL ELIGIBILITY.

Section 1205 of the Act is amended—

(1) in subsection (c)(1), by inserting ''education and'' after ''quality of''; and

(2) in subsection (f), by striking ''1991'' and inserting ''1997''.

SEC. 1204. APPROVAL OF ACCREDITING AGENCY OR ASSOCIATION.

Title XII of the Act is amended by inserting after section 1205 the following new section:

''SEC. 1205A. APPROVAL OF ACCREDITING AGENCY OR ASSOCIATION.

''(a) STANDARDS REQUIRED.—No accrediting agency or association may be determined by the Secretary to be a reliable authority as to the quality of education or training offered for this Act or other Federal purposes, unless the agency or association meets standards established by the Secretary pursuant to this section. The Secretary shall, after notice and opportunity for a hearing, establish standards for such determinations. Such standards shall require that—

''(1) the accrediting agency or association shall be a regional, national, or State agency or association and shall demonstrate the ability and the experience to operate as an accrediting agency or association within the State, region, or nationally, as appropriate;

''(2)(A) for the purpose of participation in programs under this Act, such agency or association has a voluntary membership and has as a principal purpose the accrediting of institutions of higher education or is a State; or

''(B) for the purpose of participation in other programs administered by the Department of Education or other Federal agencies, such agency or association has a voluntary membership and has as its principal purpose the accrediting of institutions of higher education or programs;

''(3) such agency or association is separate and independent, both administratively and financially, of any related, associated, or affiliated trade association or membership organization, except for voluntary professional organizations and agencies or associations which have as their principal purpose the accreditation of programs within institutions, which are accredited by another agency or association recognized by the Secretary;

''(4) such agency or association consistently applies and enforces standards that ensure that the courses or programs of instruction, training, or study at the institution of higher education are of sufficient quality to achieve, for the duration of the accreditation period, the stated objective for which the courses or the programs are offered;

''(5) the standards of accreditation of the agency or association shall assess the institution's—

''(A) curricula,

''(B) faculty,

''(C) facilities, equipment, and supplies,

''(D) fiscal and administrative capacity at a specified scale of operations,

''(E) student support services,

''(F) recruiting and admissions practices, academic calendars, catalogs, publications, grading and advertising,

''(G) program length and tuition and fees in relation to the subject matters taught, the objectives of the degrees or credentials offered,

''(H) measures of program length in clock hours or credit hours,

''(I) success with respect to student achievement in relation to its mission, including, as appropriate, consideration of course completion, State licensing examination, and job placement rates,

''(J) default rates in the student loan programs under title IV of this Act,

''(K) record of student complaints, and

''(L) compliance with its program responsibilities under title IV of this Act, including any results of financial or compliance audits, program reviews, and such other information as the Secretary may provide to the agency or association, and

such standards shall also include an appropriate measure or measures of student achievement;

''(6) such agency or association shall apply procedures throughout the accrediting process, including evaluation and withdrawal proceedings, that comply with due process, including—

''(A) adequate specification of requirements and deficiencies at the institution of higher education or program being examined;

''(B) notice of an opportunity for a hearing by any such institution;

''(C) the right to appeal from any adverse action against any such institution; and

''(D) the right to representation by counsel for any such institution;

''(7) such agency or association shall notify the Secretary and the appropriate State postsecondary agency or agencies in a timely fashion of the accreditation of an institution and any final denial, withdrawal, or termination of accreditation of an institution, together with any other action taken with respect to an institution; and

''(8) such agency or association shall make available to the public a summary of the specific reasons for any final accrediting decisions involving denial, termination, or suspension of accreditation, together with the comments of the affected institution, and shall give the institution at least 30 days notice prior to the release of such summary.

''(b) SEPARATE AND INDEPENDENT DEFINED.—For the purpose of subsection (a)(3), the term 'separate and independent' means that—

''(1) the members of the postsecondary education governing body of the accrediting agency or association are not elected or selected by the board or chief executive officer of any related, associated, or affiliated trade association or membership organization;

''(2) at least 25 percent of the members of the policy and decision making bodies of the accrediting agency or association are representative of the general public (not members of any related, associated, or affiliated trade association or membership organization), and guidelines are established for such members to avoid conflicts of interest;

''(3) dues to the accrediting agency or association are paid separately from any dues paid to any related, associated, or affiliated trade association or membership organization; and

''(4) the budget of the accrediting agency or association is developed and determined by the accrediting agency or association without review or resort to consultation with any other entity or organization.

''(c) OPERATING PROCEDURES REQUIRED.—No accrediting agency or association may be approved by the Secretary for the purpose of this title, unless the agency or association—

''(1) performs, at regularly established intervals, on-site inspections and reviews of institutions of higher education (at least one such visit at each institution whose primary purpose is to provide vocational education and training should be unannounced), with particular focus on educational quality and program effectiveness, and assures that accreditation team members are well-trained and knowledgeable with respect to their responsibilities;

''(2) requires institutions of higher education subject to its jurisdiction which plan to establish a branch campus to submit a business plan prior to opening the branch campus;

''(3) agrees to conduct, as soon as practicable, but within a period of not more than 6 months of the establishment of a new branch campus or a change of ownership of an institution of higher education an on-site visit of that branch campus or of the institution after a change of ownership;

''(4) requires that teach-out agreements among institutions are subject to approval by the accrediting agency or association consistent with standards promulgated by such agency or association;

''(5) maintains and makes publicly available written materials regarding standards and procedures for accreditation, appeal procedures and the accreditation status of each institution subject to its jurisdiction; and

''(6) discloses publicly whenever an institution of higher education subject to its jurisdiction is being considered for accreditation or reaccreditation.

''(d) LENGTH OF APPROVAL.—No accrediting agency or association may be approved by the Secretary for the purpose of this Act for a period of more than 5 years.

''(e) INITIAL ARBITRATION RULE.—The Secretary may not recognize the accreditation of any institution of higher education unless the institution of higher education agrees to submit any dispute involving the final denial, withdrawal, or termination of accreditation to initial arbitration prior to any other legal action.

''(f) LIMITATION ON SCOPE OF STANDARDS.—Nothing in this Act shall be construed to permit the Secretary to establish standards for accrediting agencies or associations which are not provided for in this section. Nothing in this Act shall be construed to prohibit or limit any accrediting agency or association from adopting additional standards not provided for in this section: *Provided*, That such additional standards are not applied in a manner that is inconsistent with the institution's mission or contrary to the religious beliefs espoused by the institution.

''(g) ACCREDITATION RULE.—The Secretary shall not recognize the accreditation of any eligible institution of higher education if the institution of higher education is in the process of changing its accrediting agency or association, unless the eligible institution submits to the Secretary all materials relating to the prior accreditation, including materials demonstrating reasonable cause for changing the accrediting agency or association.

''(h) DUAL ACCREDITATION RULE.—The Secretary shall not recognize the accreditation of any eligible institution of higher education if the institution of higher education is accredited by more than one accrediting agency or association, unless the institution submits to each such agency and association and to the Secretary the reasons for accreditation by more than one such agency or association and demonstrates to the Secretary reasonable cause for its accreditation by more than one agency or association. If the institution is accredited by more than one accrediting agency or association, the institution shall designate which agency's accreditation shall be utilized in determining the institution's eligibility for programs under this Act.

''(i) IMPACT OF LOSS OF ACCREDITATION.—An institution may not be certified or recertified as an institution of higher education under section 481 or participate in any of the other programs authorized by this Act if such institution—

''(1) is not currently accredited by any agency or association recognized by the Secretary;

''(2) has had its accreditation withdrawn, revoked, or otherwise terminated for cause during the preceding 24 months unless such withdrawal, revocation, or termination has been rescinded by the same accrediting agency; or

''(3) has withdrawn from accreditation voluntarily under a show cause or suspension order during the preceding 24 months unless such order has been rescinded by the same accrediting agency.

''(j) SUSPENSION OF APPROVAL.—The Secretary shall suspend the approval of an accrediting agency or association if the Secretary determines, after notice and opportunity for a hearing, that the accrediting agency or association has failed to effectively apply the standards or operate according to the procedures provided in this section.

''(k) LIMITATION ON THE SECRETARY'S AUTHORITY.—The Secretary may only recognize accrediting agencies or associations which accredit institutions of higher education for the purpose of enabling such institution to establish eligibility to participate in the programs under this Act or which accredit institutions of higher education or higher education programs for the purpose of enabling them to establish eligibility to participate in other programs administered by the Department of Education or other Federal agencies.

''(l) INDEPENDENT EVALUATION.—(1) The Secretary shall conduct a comprehensive review and evaluation of the performance of all accrediting agencies or associations which seek recognition by the Secretary in order to determine whether such accrediting agencies or associations meet the standards established by this section. The Secretary shall conduct an independent evaluation of the information provided by such agency or association. Such evaluation shall include:

''(A) the solicitation of third-party information concerning the performance of the accrediting agency or association; and

''(B) site visits at both the accrediting agency or association and member institutions, including unannounced visits where appropriate.

''(2) The Secretary shall place a priority for review of accrediting agencies or associations on those which accredit institutions of higher education which participate most extensively in the programs authorized by title IV of this Act and on those agencies or associations which have been the subject of the most complaints or legal actions.

''(3) The Secretary shall consider all available information concerning the compliance of the accrediting agency or association with the standards provided for in this section, including any complaints or legal actions against such agency or association. In cases where deficiencies in the performance of an accreditation agency or association with respect to the requirements of this section are noted, the Secretary shall take these deficiencies into account in the approval process. The Secretary shall not, under any circumstances, base decisions on the approval or disapproval of accreditation agencies or associations on standards other than those contained in this section.

''(4) The Secretary shall maintain sufficient documentation to support the conclusions reached in the approval process, and upon disapproval of any accreditation agency or association, shall make publicly available the reason for such disapproval, including reference to the specific standards under this section which have not been fulfilled.

''(m) REGULATIONS.—The Secretary shall by regulation provide for procedures for the recognition of accrediting agencies or associations and for the appeal of the Secretary's decisions.

''(n) DEFINITION.—For the purpose of this section, the term 'accrediting agency or association' includes any organization recognized by the Secretary for the purposes of this section including, but not limited to, boards, commissions and committees.''.

SEC. 1205. DISCLOSURE OF FOREIGN GIFTS AND FOREIGN OWNERSHIP.

Title XII of the Higher Education Act of 1965 is amended by inserting after section 1208 the following section:

''DISCLOSURES OF FOREIGN GIFTS

''SEC. 1209. (a) DISCLOSURE REPORT.—Whenever any institution is owned or controlled by a foreign source or receives a gift from or enters into a contract with a foreign source, the value of which is $250,000 or more, considered alone or in combination with all other gifts from or contracts with that foreign source within a calendar year, the institution shall file a disclosure report with the Secretary on January 31 or July 31, whichever is sooner.

''(b) CONTENTS OF REPORT.—Each report to the Secretary required by this Act shall contain:

''(1) For gifts received from or contracts entered into with a foreign source other than a foreign government, the aggregate dollar amount of such gifts and contracts attributable to a particular country. The country to which a gift is attributable is the country of citizenship, or if unknown, the principal residence for a foreign source who is a natural person, and the country of incorporation, or if unknown, the principal place of business, for a foreign source which is a legal entity.

''(2) For gifts received from or contracts entered into with a foreign government, the aggregate amount of such gifts and contracts received from each foreign government.

''(3) In the case of an institution which is owned or controlled by a foreign source, the identity of the foreign source, the date on which the foreign source assumed ownership or control, and any changes in program or structure resulting from the change in ownership or control.

''(c) ADDITIONAL DISCLOSURES FOR RESTRICTED AND CONDITIONAL GIFTS.—Notwithstanding the provisions of subsection (b), whenever any institution receives a restricted or conditional gift or contract from a foreign source, the institution shall disclose:

''(1) For such gifts received from or contracts entered into with a foreign source other than a foreign government, the amount, the date, and a description of such conditions or restrictions. The report shall also disclose the country of citizenship, or if unknown, the principal residence for a foreign source which is a natural person, and the country of incorporation, or if unknown, the principal place of business for a foreign source which is a legal entity.

''(2) For gifts received from or contracts entered into with a foreign government, the amount, the date, a description of such conditions or restrictions, and the name of the foreign government.

''(d) RELATION TO OTHER REPORTING REQUIREMENTS.—

''(1) STATE REQUIREMENTS.—If an institution described under subsection (a) is within a State which has enacted requirements for public disclosure of gifts from or contracts with a foreign source that are substantially similar to the requirements of this section, a copy of the disclosure report filed with the State may be filed with the Secretary in lieu of a report required under subsection (a). The State in which the institution is located shall provide to the Secretary such assurances as the Secretary may require to establish that the institution has met the requirements for public disclosure under State law if the State report is filed.

''(2) USE OF OTHER FEDERAL REPORTS.—If an institution receives a gift from, or enters into a contract with, a foreign source, where any other department, agency, or bureau of the Executive Branch requires a report containing requirements substantially similar to those required under this Act, a copy of this report may be filed with the Secretary in lieu of a report required under subsection (a).

''(e) PUBLIC INSPECTION.—All disclosure reports required by this Act shall be public records open to inspection and copying during business hours.

''(f) ENFORCEMENT.—

''(1) COURT ORDERS.—Whenever it appears that an institution has failed to comply with the requirements of this section, including any rule or regulation promulgated thereunder, a civil action may be brought in an appropriate district court of the United States, or the appropriate United States court of any territory or other place subject to the jurisdiction of the United States, to request such court to compel compliance with the requirements of the Act.

''(2) COSTS.—For knowing or willful failure to comply with the requirements of this section, including any rule or regulation promulgated thereunder, an institution shall pay to the Treasury of the United States the full costs to the United States of obtaining compliance, including all associated costs of investigation and enforcement.

''(g) REGULATIONS.—The Secretary may promulgate regulations to carry out the ministerial duties imposed on the Secretary by this section.

''(h) DEFINITIONS.—For the purpose of this section—

''(1) the term 'contract' means any agreement for the acquisition by purchase, lease, or barter of property or services by the foreign source, for the direct benefit or use of either of the parties;

''(2) the term 'foreign source' means—

''(A) a foreign government, including an agency of a foreign government;

''(B) a legal entity, governmental or otherwise, created solely under the laws of a foreign state or states;

''(C) an individual who is not a citizen or a national of the United States or a trust territory or protectorate thereof; and

''(D) an agent, including a subsidiary or affiliate of a foreign legal entity, acting on behalf of a foreign source;

''(3) the term 'gift' means any gift of money or property;

''(4) the term 'institution' means any institution, public or private, or, if a multicampus institution, any single campus of such institution, in any State which—

''(A) is legally authorized within such State to provide a program of education beyond high school;

''(B) provides a program for which it awards a bachelor's degree (or provides not less than a 2-year program which is acceptable for full credit toward such a degree) or more advanced degrees; and

''(C) is accredited by a nationally recognized accrediting agency or association and to which institution Federal financial assistance is extended (directly or indirectly through another entity or person), or which institution receives support from the extension of Federal financial assistance to any of its subunits; and

''(5) the term 'restricted or conditional gift or contract' means any endowment, gift, grant, contract, award, present, or property of any kind which includes provisions regarding (A) the employment, assignment, or termination of faculty; (B) the establishment of departments, centers, research or lecture programs, or new faculty positions; (C) the selection or admission of students; or (D) the award of grants, loans, scholarships, fellowships, or other forms of financial aid restricted to students of a specified country, religion, sex, ethnic origin, or political opinion.''.

SEC. 1206. ADMISSION OF MINORITY STUDENTS.

(a) FINDINGS.—The Congress finds that racial discrimination is indefensible, improper, and immoral.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) institutions of higher education should review their admissions policies and, if necessary, revise them to ensure that applicants are not illegally excluded from admission;

(2) the Attorney General should investigate allegations of illegal racial discrimination in the admissions policies of institutions of higher education and pursue legal action against those schools which have violated title IV or VI (relating to desegregation of public education and nondiscrimination in federally assisted programs respectively), or both, of the Civil Rights Act of 1964 (42 U.S.C. 2000c—2000c–8 and 42 U.S.C. 2000d—2000d–6 respectively); and

(3) the Secretary of Education should conclude, as soon as possible, the compliance reviews on admissions policies of certain institutions of higher education being conducted by the Department of Education and should, in addition, initiate additional reviews of the admissions policies of schools alleged to have illegally discriminated on the basis of race.

TITLE XIII—INDIAN HIGHER EDUCATION PROGRAMS

PART A—TRIBALLY CONTROLLED COMMUNITY COLLEGES

SEC. 1301. REAUTHORIZATION OF THE TRIBALLY CONTROLLED COMMUNITY COLLEGES ACT.

(a) GENERAL AUTHORIZATION.—Section 110(a) of the Tribally Controlled Community College Assistance Act of 1978 is amended to read as follows:

''SEC. 110. (a)(1) There is authorized to be appropriated, for the purpose of carrying out section 105 $3,200,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

''(2) There is authorized to be appropriated for the purpose of carrying out section 107, $30,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

''(3) There is authorized to be appropriated for the purpose of carrying out sections 112(b) and 113, $10,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.''.

(b) ENDOWMENT GRANTS.—Section 306(a) of such Act is amended to read as follows:

''SEC. 306. (a) There are authorized to be appropriated to carry out the provisions of this title, $5,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.''.

(c) ECONOMIC DEVELOPMENT.—Section 403 of such Act is amended to read as follows:

''SEC. 403. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated for grants under this title, $2,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.''.

(d) NAVAJO COMMUNITY COLLEGES.—Section 5(a)(1) of the Navajo Community College Act is amended to read as follows:

''SEC. 5. (a)(1) For the purpose of making construction grants under this Act, there are authorized to be appropriated $2,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.''.

PART B—HIGHER EDUCATION TRIBAL GRANT AUTHORIZATION ACT

SEC. 1311. SHORT TITLE.

This part may be cited as the ''Higher Education Tribal Grant Authorization Act''.

SEC. 1312. FINDINGS.

The Congress finds that—

(1) there are increasing numbers of Indian students qualifying for postsecondary education, and there are increasing numbers desiring to go to postsecondary institutions;

(2) the needs of these students far outpace the resources available currently;

(3) Indian tribes have shown an increasing interest in administering programs serving these individuals and making decisions on these programs reflecting their determinations of the tribal and human needs;

(4) the contracting process under the Indian Self-Determination and Education Assistance Act has provided a mechanism for the majority of the tribes to assume control over this program from the Bureau of Indian Affairs;

(5) however, inherent limitations in the contracting philosophy and mechanism, coupled with cumbersome administrative procedures developed by the Bureau of Indian Affairs have effectively limited the efficiency and effectiveness of these programs;

(6) the provision of these services in the most effective and efficient form possible is necessary for tribes, the country, and the individuals to be served; and

(7) these services are part of the Federal Government's continuing trust responsibility to provide education services to American Indian and Alaska Natives.

SEC. 1313. PROGRAM AUTHORITY.

(a) IN GENERAL.—The Secretary shall, from the amounts appropriated for the purpose of supporting higher education grants for Indian students under the authority of the Act of November 2, 1921, popularly known as the Snyder Act (25 U.S.C. 13), make grants to Indian tribes in accordance with the requirements of this part to permit those tribes to provide financial assistance to individual Indian students for the cost of attendance at institutions of higher education.

(b) LIMITATION ON SECRETARY'S AUTHORITY.—The Secretary shall not place any restrictions on the use of funds provided to an Indian tribe under this part that is not expressly authorized by this part.

(c) EFFECT ON FEDERAL RESPONSIBILITIES.—The provisions of this part shall not affect any trust responsibilities of the Federal Government.

(d) NO TERMINATION FOR ADMINISTRATIVE CONVENIENCE.—Grants provided under this part may not be terminated, modified, suspended, or reduced only for the convenience of the Administering agency.

SEC. 1314. QUALIFICATION FOR GRANTS TO TRIBES.

(a) CONTRACTING TRIBES.—Any Indian tribe that obtains funds for educational purposes similar to those authorized in this part pursuant to contract under the Indian Self-Determination and Education Assistance Act may qualify for a grant under this part by submitting to the Secretary a notice of intent to administer a student assistance program under section 1313. Such notice shall be effective for the fiscal year following the fiscal year in which it is submitted, except that if such notice is submitted during the last 90 days of a fiscal year such notice shall be effective the second fiscal year following the fiscal year in which it is submitted, unless the Secretary waives this limitation.

(b) NONCONTRACTING TRIBES.—Any Indian tribe that is not eligible to qualify for a grant under this part by filing a notice under subsection (a) may qualify for such a grant by filing an application for such a grant. Such application shall be submitted under guidelines for programs under the Indian Self-Determination and Education Assistance Act, as in effect on January 1, 1991, and shall be reviewed under the standards, practices, and procedures applicable to applications to contract under such Act as in effect on the date the application is received, except that—

(1) if the tribe is not notified that its application has been disapproved within 180 days after it is filed with the Secretary, the application shall be deemed to be approved;

(2) if the application is disapproved, the Secretary shall provide technical assistance to the tribe for purposes of correcting deficiencies in the application;

(3) the Secretary shall designate an office or official to receive such applications, and shall toll the 180-day period described in paragraph (1) from the date of receipt by such office or official; and

(4) applications shall be approved for the fiscal year following the fiscal year in which submitted, unless the Secretary waives the limitation of this paragraph.

(c) TERMINATION OF GRANTS.—

(1) CONTINUING ELIGIBILITY PRESUMED.—An Indian tribe which has qualified under subsection (a) or (b) for a grant under this part for any fiscal year shall continue to be eligible for such a grant for each succeeding fiscal year unless the Secretary revokes such eligibility for a cause described in paragraph (2).

(2) CAUSES FOR LOSS OF ELIGIBILITY.—The Secretary may revoke the eligibility of an Indian tribe for a grant under this part if such tribe—

(A) fails to submit to the Bureau an annual financial statement that reports revenues and expenditures determined by use of an accounting system, established by the tribe, that complies with generally accepted accounting principles;

(B) fails to submit to the Bureau an annual program description, stating the number of students served, and containing such information concerning such students, their educational programs and progress, and the financial assistance distributed to such students as the Secretary may require by regulation;

(C) fails to submit to the Secretary a biennial financial audit conducted in accordance with chapter 75 of title 31, United States Code; or

(D) fails, in an evaluation of its financial assistance program conducted by an impartial third party entity, to comply with standards under this part relating to (i) eligible students, programs, or institutions of higher education, (ii) satisfactory progress, or (iii) allowable administrative costs; as determined under contracts applicable to programs to provide financial assistance to indi-

vidual Indian students for the cost of attendance at institutions of higher education administered by Indian tribes under the Indian Self-Determination and Education Assistance Act and in effect on January 20, 1991.

(3) PROCEDURES FOR REVOCATION OF ELIGIBILITY.—The Secretary shall not revoke the eligibility of an Indian tribe for a grant under this part except—

(A) after notice in writing to the tribe of the cause and opportunity to the tribe to correct;

(B) providing technical assistance to the tribe in making such corrections; and

(C) after hearing and appeals conducted under the same rules and regulations that apply to similar termination actions under the Indian Self-Determination and Education Assistance Act.

SEC. 1315. ALLOCATION OF GRANT FUNDS.

(a) ALLOCATION OF FUNDS.—

(1) IN GENERAL.—The Secretary shall continue to determine the amount of program funds to be received by each grantee under this part by the same method used for determining such distribution in fiscal year 1991 for tribally-administered and Bureau-administered programs of grants to individual Indians to defray postsecondary expenses.

(2) ADMINISTRATIVE COSTS.—In addition to the amount determined under paragraph (1), a grantee which has exercised the option given in section 1314(a) to administer the program under a grant shall receive an amount for administrative costs determined pursuant to the method used by the grantee during the preceding contract period. All other grantees shall receive an amount for administrative costs determined pursuant to the regulations governing such determinations under the Indian Self Determination and Education Assistance Act, as in effect at the time of application to grants being made.

(3) SINGLE GRANT; SEPARATE ACCOUNTS.—Each grantee shall receive only one grant during any fiscal year, which shall include both of the amounts under paragraphs (1) and (2). Each grantee shall maintain this grant in a separate account.

(b) USE OF FUNDS.—Funds provided by grants under this part shall be used—

(1) to make grants to individual Indian students to meet, on the basis of need, any educational expense of attendance in a postsecondary education program (as determined under the contracts applying to the postsecondary education program administered by tribes under the Indian Self Determination and Education Assistance Act (Public Law 93–638)), to the extent that such expense is not met from other sources or cannot be defrayed through the action of any State, Federal, or municipal Act, except that nothing in this subsection shall be interpreted as requiring any priority in consideration of resources; and

(2) costs of administering the program under this part, except that no more may be spent on administration of such program than is generated by the method for administrative cost computation specified in section 1315(a)(2).

SEC. 1316. LIMITATIONS ON USE OF FUNDS.

(a) USE FOR RELIGIOUS PURPOSES.—None of the funds made available under this part may be used for study at any school or department of divinity or for any religious worship or sectarian activity.

(b) INTEREST ON FUNDS.—No interest or other income on any funds made available under this part shall be used for any purpose other than those for which such funds may be used.

(c) PAYMENTS.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the Secretary shall make payments to grantees under this part in two payments—

(A) one payment to be made no later than October 1 of each fiscal year in an amount equal to one-half the amount paid during the preceding fiscal year to the grantee or a contractor that has elected to have the provisions of this part apply, and

(B) the second payment consisting of the remainder to which the grantee or contractor is entitled for the fiscal year to be made by no later than January 1 of the fiscal year.

(2) NEW GRANTEES.—For any tribe for which no payment was made under this part in the preceding fiscal year, full payment of the amount computed for each fiscal year shall be made by January 1 of the fiscal year.

(d) INVESTMENT OF FUNDS.—

(1) TREATMENT AS TRIBAL PROPERTY.—Notwithstanding any other provision of law, any interest or investment income that accrues on any funds provided under this part after such funds are paid to the Indian tribe or tribal organization and before such funds are expended for the purpose for which such funds were provided under this part shall be the property of the Indian tribe or tribal organization and shall not be taken into account by any officer or employee of the Federal Government in determining whether to provide assistance, or the amount of assistance, under any provision of Federal law.

(2) INVESTMENT REQUIREMENTS.—Funds provided under this part may be—

(A) invested by the Indian tribe or tribal organization only in obligations of the United States or in obligations or securities that are guaranteed or insured by the United States, or

(B) deposited only into accounts that are insured by an agency or instrumentality of the United States.

(e) RECOVERIES.—For the purposes of underrecovery and overrecovery determinations by any Federal agency for any other funds, from whatever source derived, funds received under this part shall not be taken into consideration.

SEC. 1317. ADMINISTRATIVE PROVISIONS.

(a) BIENNIAL REPORT.—The Secretary shall submit a biennial report to the Congress on the programs established under this part. Such report shall include—

(1) a description of significant administrative actions taken by the Secretary under this part;

(2) the number of grants made under the authority of this part;

(3) the number of applications denied for such grants and the reasons therefor;

(4) the remedial actions taken to enable applicants to be approved;

(5) the number of students served, by tribe;

(6) statistics on the academic pursuits of the students provided assistance under this part the average amount of assistance provided; and

(7) such additional information as the Secretary considered significant.

(b) ROLE OF THE DIRECTOR.—Applications for grants under this part, and all application modifications, shall be reviewed and approved by personnel under the direction and control of the Director of the Office of Indian Education Programs. Required reports shall be submitted to education personnel under the direction and control of the Director of such Office.

(c) APPLICATION OF INDIAN SELF-DETERMINATION AND EDUCATION ASSISTANCE ACT.—All provisions of sections 5, 6, 7, 105, 109, and 110 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450c et seq.), except those provisions pertaining to indirect costs and length of contract, shall apply to grants provided under this part.

(d) REGULATIONS.—The Secretary is authorized to issue regulations relating to the discharge of duties specifically assigned to the Secretary by this part. In all other matters relating to the details of planning, development, implementing, and evaluating grants under this part, the Secretary shall not issue regulations. Regulations issued pursuant to this part shall not have the standing of a Federal statute for the purposes of judicial review.

(e) RETROCESSION.—Whenever an Indian tribe requests retrocession of any program for which assistance is provided under this part, such retrocession shall become effective upon a date specified by the Secretary not more than 120 days after the date on which the tribe requests the retrocession, or such later date as may be mutually agreed upon by the Secretary and the tribe. If such a program is retroceded, the Secretary shall provide to any Indian tribe served by such program at least the same quantity and quality of services that would have been provided under such program at the level of funding provided under this part prior to the retrocession. The tribal governing body requesting the retrocession shall specify whether the retrocession shall be to a contract administered by the tribe, or a tribal entity, under the authority of the Indian Self-Determination Act or to a Bureau administered program.

PART C—CRITICAL NEEDS FOR TRIBAL DEVELOPMENT ACT

SEC. 1321. SHORT TITLE.

This part may be cited as the ''Critical Needs for Tribal Development Act''.

SEC. 1322. DEFINITIONS.

As used in this part:

(1) The term ''federally funded higher education assistance'' means any grant assistance provided to an Indian student from funds made available for such purpose by contract or grant to an Indian tribe from amounts appropriated under the authority of the Act of November 2, 1921, popularly known as the Snyder Act (25 U.S.C. 13).

(2) The term ''eligible Indian tribe or tribal organization'' means any Indian tribe or tribal organization that qualifies to administer federally funded higher education assistance under a contract pursuant to the Indian Self-Determination and Education Assistance Act of 1975 or under a grant pursuant to the Higher Education Tribal Grant Authorization Act of 1991.

SEC. 1323. SERVICE CONDITIONS PERMITTED.

(a) IN GENERAL.—An eligible Indian tribe or tribal organization may, in accordance with the requirements of this part, require any applicant for federally funded higher education assistance, as a condition of receipt of such assistance, to enter into a critical area service agreement in accordance with section 1324.

(b) CRITICAL AREA DESIGNATION.—Any eligible Indian tribe or tribal organization that intends to require critical area service agreements shall, by a formal action of the tribal council or its delegate, designate particular occupational areas as critical areas for the economic or human development needs of the tribe or its members. The tribe or organization shall notify the Secretary of the Interior in writing of such designated critical areas. Such designations shall be applicable to federally funded higher education assistance for any fiscal year following the fiscal year in which the designation is made until such designation is withdrawn by the tribe or organization by formal action. The tribe or organization shall notify the Secretary of the Interior in writing of any designations that are withdrawn.

SEC. 1324. CRITICAL AREA SERVICE AGREEMENTS.

(a) TERMS OF AGREEMENTS.—A critical area service agreement shall be an agreement between an Indian student who receives or who shall receive federally funded higher edu-

cation assistance and an Indian tribe or tribal organization providing such assistance in which the student agrees—

(1) to undertake a course of study at an eligible institution (as that term is defined in section 435(a) of the Higher Education Act of 1965) in an area of critical need, as determined under section 1323, and to pursue that course of study to its completion; and

(2)(A) to perform, for each academic year for which the student receives federally funded higher education assistance under a critical area service agreement, one calendar year of service to the tribe or organization in an occupation that is in a critical area designated by the tribe pursuant to section 1322(b), commencing not later than 6 months after the student ceases to carry at an institution of higher education at least one-half the normal full-time academic workload as determined by the institution; or

(B) to repay such assistance to the Secretary, together with interest thereon at a rate prescribed by the Secretary by regulation, in monthly or quarterly installments over not more than 5 years.

(b) SERVICE LIMITATIONS AND CONDITIONS.—The tribe or tribal organization shall agree that a student performing services under a critical area service agreement—

(1) shall be provided compensation, benefits, and working conditions at the same level and to the same extent as any other employee working a similar length of time and doing the same type of work;

(2) may be treated as providing services to the tribe or organization if the student provides services for members of the tribe or organization that are approved by the tribe or organization and agreed to by the student even though such services are performed while the student is employed by a Federal, State, or local agency or instrumentality or by a nonprofit or for-profit private institution or organization; and

(3) may obtain the benefits of a waiver or suspension in accordance with the requirements of subsection (c).

(c) WAIVER AND SUSPENSION OF SERVICE AGREEMENT.—

(1) WAIVER.—An Indian tribe or tribal organization may, by formal action, waive the service agreement of an Indian student for just cause, as determined in accordance with regulations prescribed by the Secretary. The tribe or organization shall notify the Secretary in writing of any waiver granted under this subsection.

(2) SUSPENSION.—The obligation of a student to perform services under a critical area service agreement—

(A) shall be suspended for not more than 18 months if, at the request of the student, the tribe or organization determines that there are no employment opportunities available in any critical service area; and

(B) shall be suspended if the student ceases to attend an institution of higher education as a consequence of an institutional determination of unsatisfactory performance.

If, at the end of a period of suspension under subparagraph (A), there are still no employment opportunities available in any critical service area, the student's obligations under the agreement shall terminate. A suspension under subparagraph (B) shall be reviewed by the tribe or organization annually, but may be continued indefinitely.

(d) PRO RATA REDUCTION FOR PARTIAL SERVICES.—The Secretary shall, by regulation, provide for the pro rata reduction of repayment obligations under subsection (a)(2) in the case of any student who partially completes the service obligation of that student under subsection (a)(1).

(e) CERTIFICATION OF SERVICE.—An Indian tribe or tribal organization receiving services under a critical area service agreement—

(1) shall establish procedures for monitoring and evaluating the provisions of this part, and provide a copy of such procedures to the Secretary and to each individual providing services under a critical area service agreement;

(2) shall annually certify to the Secretary the identities of the individuals performing service under such agreements; and

(3) shall annually certify to the Secretary the amount of service performed, and the amount remaining to be performed, by each such individual under such agreements.

SEC. 1325. GENERAL PROVISIONS.

(a) APPLICATION OF EXISTING PROCEDURES.—Except as provided in subsection (b), the requirements relating to student eligibility, needs analysis, and determination of eligibility for the program to be attended regularly incorporated by reference into contracts under the Indian Self-Determination and Education Assistance Act of 1975 (Public Law 93–638) for tribal operation of higher education grant programs prior to January 1, 1991, shall apply.

(b) ADDITIONAL, EXCESS, AND INCREMENTAL COSTS.—The tribe or tribal organization may establish in writing, subject to the review of the Secretary, procedures for determining additional, excess, or inducement costs to be associated with grants for critical area service agreements.

PART D—INSTITUTE OF AMERICAN INDIAN NATIVE CULTURE AND ARTS DEVELOPMENT

SEC. 1331. INSTITUTE OF AMERICAN INDIAN NATIVE CULTURE AND ARTS DEVELOPMENT.

(a) BOARD OF DIRECTORS.—Section 1505 of the Higher Education Amendments of 1986 (20 U.S.C. 4412) is amended—

(1) in subsection (a)(1)(A)—

(A) by striking ''The voting'' and inserting ''Subject to the provisions of subsection (i), the voting''; and

(B) by inserting before the period at the end thereof the following: '', and diverse fields of expertise, including finance, law, and fine arts higher education administration'';

(2) by redesignating paragraph (3) of subsection (a) as paragraph (4);

(3) by inserting after paragraph (2) of such subsection the following new paragraph:

''(3) The President shall carry out the activities under subparagraphs (B) and (C) of paragraph (2) through the Board. The Board may make recommendations based upon the nominations received, may make recommendations of its own, and may review and make comments to the President or the President's appointed staff on individuals being considered by the President who were not nominated pursuant to paragraph (2).''; and

(4) by striking subsection (i) and inserting the following:

''(i) APPOINTMENT EXCEPTION FOR CONTINUITY.—

''(1) In order to maintain the stability and continuity of the Board, the Board shall have the power to recommend the continuation of Members on the Board pursuant to the provisions of this subsection. When the Board makes such a recommendation, the Chairman of the Board shall cause such recommendation to be transmitted to the President no later than 75 days prior to the expiration of the term of such Member.

''(2) If the President has not transmitted to the Senate a nomination to fill the position of the Member covered by such a recommendation within 60 days of the date upon which said Member's term expires, such Member will be deemed to have been reappointed for another full term to the Board, with all the rights and responsibilities thereto.

''(3) This subsection shall not be construed to permit less than 7 members of the Board to be Indians. If an extension of a term under paragraph (2) would result in less than 7 members being Indians, the term of the Member covered by the motion under paragraph (2) shall be deemed to expire on the date 60 days after the date upon which it would have been deemed to expire without the operation of this subsection, except that the provisions of subsection (b)(4), relating to continuation of service pending replacement, shall continue to apply.''.

(b) GENERAL POWERS OF BOARD.—Section 1507 of such Amendments (20 U.S.C. 4414) is amended—

(1) by redesignating paragraphs (3) through (13) of subsection (a) as paragraphs (4) through (14), respectively;

(2) by striking paragraph (2) of such subsection and inserting the following:

''(2) to make agreements and contracts with persons, Indian tribes, and private or governmental entities and to make payments or advance payments under such agreements or contract without regard to section 3324 of title 31;

''(3) any other provision of law to the contrary notwithstanding, to enter into joint development ventures with public or private commercial or noncommercial entities for development of facilities to meet the plan required under section 1519, provided that such ventures are related to and further the mission of the Institute;'';

(3) by striking paragraph (13) of such subsection (as redesignated by paragraph (1) of this subsection) and inserting the following:

''(13) to use any funds or property received by the Institute to carry out the purpose of this chapter, including the authority to designate on an annual basis a portion, not to exceed 10 percent, of the funds appropriated pursuant to section 1531 for investment, without regard to any other provision of law regarding investment or disposition of federally appropriated funds, on a short-term basis for the purpose of maximizing yield and liquidity of such funds; and''; and

(4) in subsection (c) by striking ''may be expended'' and inserting ''shall be expended''.

(c) STAFF OF INSTITUTE.—Section 1509(b)(2) of such Amendments is amended to read as follows:

''(2) The president of the Institute shall fix the basic compensation for officers and employees of the Institute at rates comparable to the rates in effect under the General Schedule for individuals with comparable qualifications, and holding comparable positions, to whom chapter 51 of title 5 applies or at rates comparable to those of similar institutions of higher education.''.

(d) FUNCTIONS OF INSTITUTE.—Section 1510(b) of such Amendments is amended to read as follows:

''(b) ADMINISTRATIVE ENTITIES.—

''(1) The Board shall be responsible for establishing the policies and administrative organization relating to the administrative control and monitoring responsibilities for all subdivisions, administrative entities, and departments of the Institute.

''(2) The specific responsibilities of each subdivision, entity, and department of the Institute lies solely within the discretion of the Board, or its designee.

''(3) The Board shall establish, within the Institute, departments for the study of culture and arts and for research and exchange, and a museum. The Board shall establish the areas of competency for the departments created under this paragraph, which may include (but are not limited to) Departments of Arts and Sciences, Visual Arts, Performing Arts, Language, Literature and Museology and a learning resources center, programs of institutional support and development, re-

search programs, fellowship programs, seminars, publications, scholar-in-residence programs and inter-institutional programs of cooperation at national and international levels.''.

(e) INDIAN PREFERENCE.—Section 1511(a) of such Amendments is amended by inserting ''develop a policy or policies for the Institute to'' after ''is authorized to''.

(f) TRANSFER OF FUNCTIONS.—Section 1514 of such Amendments is amended—

(1) in subsection (b)(1), by striking ''All personnel'' and inserting ''Subject to subsection (d), all personnel''; and

(2) in subsection (d)(2), by striking ''monetary damage'' and inserting ''monetary damages''.

(g) REPORTS.—Section 1515(b) of such Amendments is amended—

(1) by striking paragraph (1); and

(2) by redesignating paragraphs (2) through (4) as paragraphs (1) through (3).

(h) HEADQUARTERS.—Section 1516 of such Amendments is amended—

(1) by striking ''The site of the Institute of American Indian Arts, at''; and

(2) by striking ''the Secretary'' and inserting ''the Board''.

(i) COMPLIANCE WITH OTHER ACTS.—Section 1517 of such Amendments is amended by adding at the end thereof the following new subsection:

''(d) CONDITIONS ON FEDERAL ASSISTANCE.—The Institute shall not be subject to any provision of law requiring that non-Federal funds or other moneys be used in part to fund any grant or contract or cooperative agreement or project as a condition to application for, or receipt of, Federal assistance. This subsection shall not be construed to effect in a negative fashion the review, prioritization, or acceptance of any application or proposal for such a program, solicited or unsolicited.''.

(j) ENDOWMENT PROGRAM.—Section 1518 of such Amendments is amended—

(1) in subsection (a)(3), by striking ''the date of enactment of this Act'' and inserting ''November 29, 1990''; and

(2) in subsection (b)(4), by inserting '', non-Federal governmental,'' after ''any private''.

(k) PROVISION OF FACILITIES.—Part A of title XV of such Amendments is amended by adding at the end thereof the following new section:

''SEC. 1519. PROVISION OF FACILITIES.

''(a) PLAN.—The Board shall prepare a master plan on the short- and long-term facilities needs of the Institute. The master plan shall include evaluation of all facets of existing Institute programs, including support activities and programs and facilities. The master plan shall include impact projections for the Institute's move to a new campus site. This master plan shall evaluate development and construction requirements (based on a growth plan approved by the Board), including (but not limited to) items such as infrastructure and site analysis, development of a phased plan with architectural and engineering studies, cost projections, landscaping, and related studies which cover all facets of the Institute's programs and planned functions. The plan shall be periodically reviewed as determined by the Board.

''(b) DEADLINE FOR TRANSMITTAL.—The plan required by this subsection shall be transmitted to Congress no later than 18 months after the date of enactment of this provision. Such plan shall include a prioritization of needs, as determined by the Board.''.

PART E—TRIBAL DEVELOPMENT STUDENT ASSISTANCE REVOLVING LOAN PROGRAM

SEC. 1341. SHORT TITLE.

This part may be cited as the ''Tribal Development Student Assistance Act''.

SEC. 1342. FINDINGS; PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) a substantial number of Indian students have partially completed their degrees in postsecondary education, but have been unable, for a number of reasons, to complete the degrees;

(2) in at least some measure these students have been supported by tribal funds or grants of Federal monies administered by the Bureau of Indian Affairs or tribes;

(3) the inability of the students to complete these degrees has led to a hardship for the students and a loss of a potential pool of talent to the tribes or tribal organizations which originally financed, at least in part, these efforts;

(4) this loss has crippled tribal efforts in the areas of economic and social development;

(5) this failure to complete the postsecondary schooling has led to economic loss to the tribes and the Federal Government which could be remedied by completion of the courses of study; and

(6) a program to identify students with a level of postsecondary completion short of the fulfillment of graduation requirements and to encourage them to complete these requirements, including provision of resources, will benefit the students, the tribes, and the Federal Government.

(b) PURPOSES.—The purposes of this part are—

(1) to establish a revolving loan program to be administered by a tribe or tribal organization for the purposes of increasing the number of college graduates available to work in tribal businesses, tribal government, and tribal services such as schools and hospitals;

(2) to conduct research to assess the situational and educational barriers to participation in postsecondary education; and

(3) to encourage development, through grants, of a model which provides, in addition to loans, transitional and follow-up services needed to encourage persistence in postsecondary education.

SEC. 1343. REVOLVING FUND.

(a) RECEIPT, INVESTMENT, AND ACCOUNTING.—

(1) TRIBES AND TRIBAL ORGANIZATIONS.—Funds received under a grant under this part or recovered under the provisions of section 1346(a)(2) shall be identified and accounted for separately from any other tribal or Federal funds received from the Federal Government. All funds in this account shall be used for the purposes of this part.

(2) FINANCIAL PROCEDURES.—The Secretary of the Interior is responsible for establishing, by regulations, such requirements for receipt, investment and accounting of funds under subsection (b) as shall safeguard and financial interests of the Federal Government.

(b) INVESTMENT.—Funds provided under this part or recovered by the tribe or tribal organization under the provisions of section 1346 shall be—

(1) invested by the Indian tribe or tribal organization only in obligations of the United States or in obligations or securities that are guaranteed or insured by the United States, or

(2) deposited only in accounts that are insured by an agency or instrumentality of the United States.

(c) TREATMENT OF INCOME.—Notwithstanding any other provision of law, any interest or investment income that accrues on any funds covered under this provision after such funds have been distributed to a tribe or tribal organization and before such funds are distributed for the purposes of making loans under this part shall be the property of the tribe or tribal organization and shall not be taken into account by any officer or employee of the Federal Government in determining whether to provide assistance, or the amount of assistance, under any provision of Federal law.

SEC. 1344. ELIGIBLE RECIPIENTS.

(a) TRIBES AND TRIBAL ORGANIZATIONS.—The Secretary of the Interior shall make grants, in accordance with the requirements of this part, to—

(1) tribes or multitribal organizations not serviced by current federally funded postsecondary institutions authorized for economic development grants; and

(2) tribes or multitribal organizations which lack sufficient numbers of professionally trained tribal members to support established or ongoing economic development initiatives.

(b) STUDENTS.—Any tribe or tribal organization that receives funds under subsection (a) shall make such funds available by loan, under terms and conditions consistent with section 1345, to Indian students who have successfully completed 30 hours of postsecondary education and who are eligible for readmission to a postsecondary institution.

SEC. 1345. TERMS OF LOANS.

(a) IN GENERAL.—A loan under this part to an Indian student shall—

(1) be subject to repayment over a period of not more than 5 years;

(2) not bear interest;

(3) be subject to forgiveness for services to the tribe in accordance with section 1346; and

(4) contain such additional terms and conditions as the initial loan agreement between the tribe or tribal organization and student may prescribe in writing.

(b) COST OF ATTENDANCE.—Calculation of the cost of attendance for the student must include all costs as determined by the tribe for the purposes of fulfilling the policy of this part.

(c) ADDITIONAL REQUIREMENTS.—Any student seeking a loan under this part shall apply for and accept the maximum financial aid available from other sources. However, for purposes of determining eligibility, loans provided under this program may not be considered in needs analysis under any other Federal law, and may not penalize students in determining eligibility for other funds.

SEC. 1346. SERVICE FULFILLMENT AND CONDITIONS; REPAYMENTS; WAIVERS.

(a) SERVICE AGREEMENT REQUIRED.—Prior to receipt of a loan under this part, the tribe or tribal organization and the eligible recipient shall enter into a written agreement, subject to the conditions of this section, which commits the recipient—

(1) to perform, for each academic year for which the student receives assistance under this part one calendar year of service to the tribe or organization in an occupation related to the course of study pursued and an economic or social development plan developed by the tribe or tribal organization, commencing not later than 6 months after the student ceases to carry at an institution of higher education at least one-half the normal full-time academic workload as determined by the institution; or

(2) to repay to the tribe or tribal organization the full amount of the loan, in monthly or quarterly installments over not more than 5 years. Funds recovered under this provision will be reported annually to the Secretary and invested in the account established under section 1343.

(b) SERVICE LIMITATIONS AND CONDITIONS.—The tribe or tribal organization shall agree that a student performing services under this part—

(1) shall be provided compensation, benefits, and working conditions at the same level and to the same extent as any other employee working a similar length of time and doing the same type of work;

(2) may be treated as providing services to the tribe or organization if the student provides services for members of the tribe or organization that are approved by the tribe or organization and agreed to by the student even though such services are performed while the student is employed by a Federal, State, or local agency or instrumentality or by a nonprofit or for-profit private institution or organization; and

(3) may obtain the benefits of a waiver or suspension in accordance with the requirements of subsection (c).

(c) WAIVER AND SUSPENSION OF SERVICE AGREEMENT.—

(1) WAIVER.—An Indian tribe or tribal organization may, by formal action, waive the service agreement of an Indian student for just cause, as determined in accordance with regulations prescribed by the Secretary. The tribe or organization shall notify the Secretary in writing of any waiver granted under this subsection.

(2) SUSPENSION.—The obligation of a student to perform services under this part—

(A) shall be suspended for not more than 18 months if, at the request of the student, the tribe or organization determines that there are no employment opportunities available in any applicable area; and

(B) shall be suspended if the student ceases to attend an institution of higher education as a consequence of an institutional determination of unsatisfactory performance.

If, at the end of a period of suspension under subparagraph (A), there are still no employment opportunities available which fulfill the requirements of this part, the student's obligations under the agreement shall terminate. A suspension under subparagraph (B) shall be reviewed by the tribe or organization annually, but may be continued indefinitely.

(d) PRO RATA REDUCTION FOR PARTIAL SERVICES.—The Secretary shall, by regulation, provide for the pro rata reduction of repayment obligations under subsection (a)(2) in the case of any student who partially completes the service obligation of that student under subsection (a)(1).

(e) CERTIFICATION OF SERVICE.—An Indian tribe or tribal organization receiving services under this part—

(1) shall establish procedures for monitoring and evaluating the provisions of this part, and provide a copy of such procedures to the Secretary and to each individual providing services under a critical area service agreement;

(2) shall annually certify to the Secretary the identities of the individuals performing service under such agreements; and

(3) shall annually certify to the Secretary the amount of service performed, and the amount remaining to be performed, by each such individual under such agreements.

SEC. 1347. ADMINISTRATION.

(a) REGULATIONS.—The Secretary shall establish, by regulation, an application process containing such requirements as the Secretary deems necessary for purposes of making grants to eligible entities under this part, providing that the Secretary shall take into account in reviewing applications under this part the number of students with partial completion identified by the applicant, relative to the total number of the members of tribe which would be benefitted by provision of services under section 1346, and shall attempt to achieve geographic and demographic diversity in grants made under this part.

(b) GRANT PROCEDURES.—(1) Subject to the availability of funds and acceptable applications, the Secretary shall make 5 grants to tribes or tribal organizations for purposes of this part, each grant to be for a period of 4 years.

(2) The amount of administrative costs associated with grants under this part shall be negotiated by the Secretary with the successful applicants and made a part of the grant agreement.

SEC. 1348. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this part, $2,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

TITLE XIV—MISCELLANEOUS

PART A—STUDIES

SEC. 1401. DATA ON NONTRADITIONAL STUDENTS.

(a) STUDY REQUIRED.—The Secretary of Education shall conduct a 2-year study regarding the types of programs available for, and determine the success or failure of such programs in, increasing the accessibility for nontraditional students to postsecondary education. The study shall be conducted through the Office of Educational Research and Improvement.

(b) PURPOSE.—The purpose of the study shall be—

(1) to appraise the adequacies and deficiencies of current student financial aid information resources and services and evaluate the effectiveness of these programs as they pertain to the nontraditional student;

(2) to investigate the availability of grants and loans and other financial assistance to nontraditional students (includes independent students, part-time students, students 24 or older, and single parents);

(3) to assess the availability of supportive services for the nontraditional students including (but not limited to) counseling, child care services, campus health center services, and library services;

(4) to make recommendations on how the Department of Education can maintain an effective data base regarding nontraditional students that will include—

(A) a yearly count of the number of students who are nontraditional and breakdown of the institutions they are attending;

(B) the number of nontraditional students who work and go to school;

(C) participation in Federal student aid programs;

(D) unmet costs of postsecondary education for nontraditional students; and

(E) trends over the last decade regarding participation of nontraditional students in title IV programs.

(c) REPORT.—The Secretary of Education shall submit an interim report to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate within 1 year after the date of enactment of this section and submit a final report 2 years after such date of enactment.

SEC. 1402. STUDY OF FEDERAL BENEFIT COORDINATION.

(a) IN GENERAL.—The Secretary of Education shall conduct a study to evaluate the coordination of Federal student financial assistance programs under this title with other programs funded in whole or in part with Federal funds, with particular attention to—

(1) the effect of receipt of program assistance under this title on students eligible for other programs funded in whole or in part with Federal funds, including reduction or denial of such other program funds; and

(2) the attendance cost elements funded in whole or in part by programs under this title for students eligible for other Federal programs and the inclusion of room and/or board costs in such attendance costs.

(b) REPORT.—The Secretary of Education shall prepare and submit to the appropriate committees of the Congress a report on the study conducted pursuant to subsection (a) not later than 3 years after the date of enactment of this Act, together with such recommendations as the Secretary deems appropriate.

SEC. 1403. NATIONAL SURVEY OF FACTORS ASSOCIATED WITH PARTICIPATION.

(a) AUTHORITY OF THE SECRETARY.—In order to assure improved and accurate data on the participation of at-risk students in postsecondary education, the Secretary, acting through the National Center for Educational Statistics, shall conduct a special purpose survey on a biennial basis of factors associated with participation of low-income, disadvantaged, non-English language background, and minority students, including (but not limited to) African American, Native Americans, Native Hawaiians, major Hispanic subgroups, and Asian students from disadvantaged backgrounds in various types of postsecondary education. The survey data shall permit comparisons with other groups that have characteristically participated at higher rates than at-risk students.

(b) DEVELOPMENT OF THE SURVEY.—The Secretary shall consult with the Congress and the elementary and secondary and higher education community in developing such an annual survey. The survey shall include, but not be limited to—

(1) academic preparation of groups at key points in the elementary and secondary education process;

(2) rates of academic progress and graduation from high school;

(3) participation in postsecondary education by type and control of institution and by program of study;

(4) persistence rates in postsecondary programs, or, in the case of short-term programs, completion rates; and

(5) average student financial assistance awarded to groups, including Federal, State, and other assistance.

(c) REPORT TO CONGRESS.—The Secretary shall report relevant data and conclusions from the survey to Congress on an annual basis, including comparisons of important factors for at-risk and other relevant populations.

(d) DEVELOPMENT OF PLAN.—In the event of significant findings related to underparticipation rates of at-risk and other students, the Secretary shall submit a plan containing policies and program modifications for ensuring the participation of at-risk students. The plan shall indicate the modifications the Secretary will make to increase participation, including, but not limited to, increasing information and training, and recommending other relevant changes to the programs under this title.

(e) PANEL SURVEY ON INCOME DYNAMICS.—The Secretary, acting through the National Center for Education Statistics, shall make an interagency agreement with the National Science Foundation to provide for additional questions and an appropriate sample size as part of an existing panel study of income dynamics to provide information on the educational processes and other developmental behavior of Hispanic, black, and non-Hispanic white children and their short-term and long-term consequences. There is authorized to be appropriated $900,000 for fiscal year 1993 and for each of the 4 succeeding fiscal years for this activity.

SEC. 1404. EVALUATION OF ASSISTANCE GUARANTY PROGRAMS.

(a) PURPOSE.—The purposes of this section are—

(1) to require the Secretary to determine the effectiveness of programs for disadvantaged elementary and secondary school students that offer guarantees for postsecondary education, and

(2) to encourage business community involvement through the dissemination of successful programs.

(b) CONDUCT OF STUDY.—

(1) The Secretary shall, through the Office of Educational Research and Improvement, evaluate the effectiveness of programs for disadvantaged children that, in exchange for the child's commitment to achieving a satisfactory elementary and secondary education, promise the child the financial resources needed to pursue a postsecondary education.

(2) The Secretary shall study a sample of the types of programs available, and (A) determine the success or failure of such programs in increasing the access and entry of disadvantaged students into postsecondary education, (B) identify the most successful programs and the causes for success, and (C) determine the responsibilities of sponsors of the programs.

(3) The programs studied shall include a guarantee of postsecondary education for students currently in elementary or secondary grade levels. The programs may include supportive services, mentoring, study skills, and counseling to students participating in the program.

(c) DISSEMINATION.—The Secretary shall disseminate the findings through appropriate agencies and organizations including associations of businesses.

(d) SUBMISSION OF REPORT.—The Secretary shall submit an interim report by January 31, 1995, and a final report by June 30, 1996, to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

SEC. 1405. INFORMATION ON GRADUATE EDUCATION.

(a) ASSESSMENT REQUIRED.—The Office of Educational Research and Improvement shall conduct a study which will provide an assessment of the information currently collected on graduate education and will identify what additional information should be generated to guide the Department of Education in defining and executing its role in the support of graduate education.

(b) SUBJECT OF ASSESSMENT.—The assessment required by subsection (a) shall include the assessment of the total amount of Federal, State, private, foundation, and institutional fellowships, assistantships, loans, or any other forms of financial assistance to all graduate students, including both American and foreign students; and how these amounts are distributed by race, by sex, to nontraditional students, and to students with disabilities. In addition, the assessment shall determine the number of graduate students, cross-referenced by race, sex, and national origin, part-time, full-time, independent versus dependent status, and individuals with disabilities who enrolled and completed all requirements for the degrees master of arts, master of science, master in business administration, doctor of philosophy, doctor of education, juris doctor, medical doctor, doctor in veterinary medicine, and doctor of dental science.

(c) CONSULTATION.—In conducting this study, the Office of Educational Research and Improvement shall consult with other agencies and organizations involved in graduate education policy, including the Congressional Office of Technology Assessment, the President's Office of Science and Technology Policy, the National Science Foundation and the other Federal agencies supporting academic research and graduate education, the National Academy of Sciences and other public and private organizations which participate in the formulation and implementation of national graduate education policies and programs.

(d) DATE FOR COMPLETION.—The study shall be completed within 2 years of the date of enactment of this Act.

SEC. 1406. STUDY OF THE CENTER FOR INTERNATIONAL EDUCATION'S STAFFING REQUIREMENTS.

The Comptroller General shall conduct an evaluation of the staffing requirements of the United States Department of Education's Center for International Education. The evaluation shall consider the effectiveness of the staffing patterns and assess staffing needs in relation to the administration of title VI of the Higher Education Act of 1965 and section 102(b)(6) of the Mutual Educational and Cultural Exchange Act, including (1) the number and experience of personnel required to achieve the objectives of such programs at a high level of quality, and (2) the extent to which additional staff may be required to administer amendments to such programs made by this Act. In conducting the evaluation, the Comptroller General shall consult institutions of higher education which have participated under such programs, and national organizations of such institutions. Within one year after the date of enactment of this Act, the Comptroller General shall submit to the Congress a report on the results of such evaluation together with such recommendations as the Comptroller General deems appropriate.

SEC. 1407. STUDY OF ENVIRONMENTAL HAZARDS IN INSTITUTIONS OF HIGHER EDUCATION.

(a) STUDY AUTHORIZED.—The Secretary, in cooperation with the Administrator of the Environmental Protection Agency, is authorized to conduct a study of the extent to which asbestos, lead in drinking water, or radon gas pose a threat to the health and safety of students and employees of institutions of higher education.

(b) SURVEY REQUIRED.—Such study shall include a survey of a representative sample of institutions of higher education in order to assess how widespread such hazards are. A sufficient number of institutions shall be sampled and tested in order to provide reasonable estimates on—

(1) the number of institutions which contain friable asbestos (as defined in the Asbestos Hazard Emergency Response Act) and how many students and employees may be exposed to unsafe levels of asbestos fibers,

(2) the number of institutions that have rooms which contain more than 4 picocuries/liter of radon, and

(3) the number of institutions which contain water fountains or faucets or water coolers which discharge water with more than 10 parts per billion of lead.

(c) CONSULTATION.—In designing and carrying out such study, the Secretary shall consult with associations representing institutions of higher education, faculty, and other employees.

(d) REPORT ON STUDY.—The Secretary shall submit a report with the results of the assessment, including the information required by subsection (b), along with recommendations by the Secretary regarding what actions, if any, Congress and the Administration should take to ensure that environmental health hazards, if any, are eliminated. The report shall be presented to Congress not later than July 1, 1995.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $3,000,000 in fiscal year 1993 for the purposes of carrying out this assessment.

SEC. 1408. STUDY OF CIVILIAN EDUCATION TRAINING PROGRAMS.

(a) FINDINGS.—The Congress finds that—

(1) the role of the military as a source of supply of trained pilots and mechanics and other personnel for commercial aviation is severely reduced;

(2) approximately 50 percent of the 52,000 commercial pilots currently flying will retire by the year 2000 and an additional 8,000 to 10,000 pilots will be needed by then;

(3) there is significant underrepresentation of minorities and women currently working in the aviation industry and African Americans constitute less than 1 percent of pilots with the Nation's scheduled air carriers;

(4) there is a substantial projected increase of minorities and women as a proportion of the workforce by the year 2000; and

(5) there is need for a comprehensive study of future human resources needs for the air transportation industry, including a thorough investigation of recruitment, aviation training outside the military context, financial and other incentives and disincentives which affect the flow of people, and especially minorities and women, into the industry.

(b) STUDY REQUIRED.—The Secretary of Education shall enter into appropriate arrangements with the National Academy of Sciences Commission on Behavioral and Social Sciences and Education to study civilian education training programs needed to satisfy the workforce requirements of the commercial aviation industry in the year 2000 and beyond. The specific concerns to be addressed by the study shall include—

(1) the avenues for civilians to enter the aviation industry,

(2) the characteristics of current training and the match with skill requirements in the workplace, and

(3) the impediments and incentives for minorities and women to enter the aviation industry (such as a lack of role models, cost of schooling and flight time, the underutilization of historically black colleges and universities in the educational training process, and institutional barriers).

(c) INTERIM REPORT.—The Secretary of Education shall request that the National Academy of Sciences Commission on Behavioral and Social Sciences and Education submit an interim report of its deliberations, conclusions, and recommendations to the Secretary and the Congress within 1 year after the date of enactment of this Act, and the study shall be completed within 2 years of the date of enactment of this Act.

SEC. 1409. AMENDMENTS TO GENERAL EDUCATION PROVISIONS ACT.

(a) LIBRARY OF CONGRESS ACCESS TO DATA.—Section 406(d)(4)(H) of the General Education Provisions Act is amended by—

(1) inserting ''and the Librarian of Congress'' after ''Comptroller General of the United States''; and

(2) inserting ''and the Library of Congress'' after ''the General Accounting Office''.

(b) STUDENT RECORDS.—Section 438(a)(4)(B)(ii) of the General Education Provisions Act (20 U.S.C. 1232g(a)(4)(B)(ii) is amended to read as follows:

''(ii) records maintained by a law enforcement unit of the educational agency or institution that were created by that law enforcement unit for the purpose of law enforcement;''.

SEC. 1410. TRAINING AND TECHNICAL ASSISTANCE FOR SCHOOL-BASED DECISIONMAKERS DEMONSTRATION PROGRAM.

(a) IN GENERAL.—The Secretary is authorized to make grants to local education agencies, jointly with one or more institutions of higher education, to establish programs to provide training and technical assistance to school-based decisionmakers in local education agencies implementing system-wide reform.

(b) APPLICATION.—To be eligible to receive a training and technical assistance demonstration grant under this section, eligible entities shall submit an application to the Secretary in such form and containing or accompanied by such information as the Secretary may require. A copy of the application shall also be sent to the State educational agency for notification purposes.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $1,000,000 for fiscal year 1993 and such sums as may be necessary for fiscal years 1994 and 1995.

SEC. 1411. REPORT ON THE USE OF PELL GRANTS BY PRISONERS.

(a) REPORT REQUIRED.—The Secretary of Education shall submit to the Congress a report on the use of Pell Grants by prisoners. Such report shall contain a statement of—

(1) the number of prisoners receiving Pell Grants,

(2) the average amount of the Pell Grants awarded to prisoners,

(3) the average length of Pell Grant subsidized study for prisoners,

(4) the graduation or success rate of prisoners receiving Pell Grants,

(5) an analysis of whether prisoners' lack of income has made them more successful in obtaining Pell Grants over other low-income citizens who are not incarcerated,

(6) an analysis of whether prisoners lack of income provides them within an advantage in receiving Pell Grants, and

(7) the Secretary's recommendations for making the program more equitable with regard to awards to prisoners in relation to other applicants.

(b) DEADLINE FOR SUBMISSION.—The report required by subsection (a) shall be submitted not later than 6 months after the date of enactment of this Act.

PART B—NATIONAL CLEARINGHOUSE FOR POSTSECONDARY EDUCATION MATERIALS

SEC. 1421. NATIONAL CLEARINGHOUSE FOR POSTSECONDARY EDUCATION MATERIALS.

(a) PURPOSE.—The purpose of this section is to coordinate the production and distribution of educational materials in an accessible form, especially audio and digital text production, to college and university based print-handicapped population.

(b) PROGRAM AUTHORITY.—(1) The Secretary is authorized to award a grant or contract to establish a National Clearinghouse for Postsecondary Education Materials (hereinafter referred to as the ''Clearinghouse'') to coordinate the production and distributon of educational materials, in an accessible form, including audio and digital for students with disabilities.

(2) The grant or contract awarded pursuant to paragraph (1) shall be made on a competitive basis.

(3) The grant or contract awarded under this section shall be awarded for a period of 3 years.

(c) USE OF FUNDS.—The grant or contract awarded under this section shall be used to—

(1) catalog in computer-readable form postsecondary education materials;

(2) identify college campus-based services producing taped texts whose technical and reader quality make them eligible for inclusion in the Clearinghouse and share its quality control standards with campus-based disabled student support services offices;

(3) promote data conversion and programming to allow the electronic exchange of bibliographic information between existing on line systems;

(4) encourage outreach efforts that will educate print-disabled individuals, as defined by section 652(d)(2) of the Individuals With Disabilities Education Act, educators, schools and agencies about the Clearinghouse's activities;

(5) upgrade existing computer systems at the Clearinghouse;

(6) coordinate with identifiable and existing data bases containing postsecondary education materials, including the programs authorized under section 652(d) of the Individuals With Disabilities Act; and

(7) develop and share national guidelines and standards for the production of audio and digital text materials.

(d) FEDERAL SHARE LIMITATION.—The Federal share under this section may not be more than—

(1) 80 percent of the total cost of the program in the first year,

(2) 60 percent of the total cost of the program in the second year, and

(3) 50 percent of the total cost of the program in the third year.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for the purpose of this section, $1,000,000 for fiscal year 1993 and such sums as may be necessary for each of the fiscal years 1994 and 1995.

PART C—NATIONAL CENTER FOR THE WORKPLACE

SEC. 1431. PURPOSE; DESIGNATION.

It is the purpose of this part to address the new and previously unknown problems created by the simultaneous convergence of broad economic, social, cultural, political, and technological changes in the workplace through a national center administered by the Department of Labor that will join together workplace experts from America's best institutions of higher education with experts from the public and private sectors to conduct research, share information, and propose remedies.

SEC. 1432. ESTABLISHMENT.

(a) ESTABLISHMENT.—There is authorized to be established the National Center for the Workplace (hereafter in this part referred to as the ''Center'') through grant or contract between the Secretary of Labor and an eligible recipient.

(b) DEFINITION OF ELIGIBLE RECIPIENT.—An eligible recipient shall be a consortium of institutions of higher education in the United States, each member of which grants graduate degrees in the field of industrial and labor relations and conducts nationally recognized research in that field. The consortium shall be represented and coordinated by a host institution of higher education that meets all of the following criteria:

(1) Broad collective knowledge of and demonstrable experience in the wide range of interconnected employment and workplace issues.

(2) A nationally recognized faculty that, collectively, demonstrates a nonpartisan research and policy perspective joining the several relevant workplace disciplines (labor economics, industrial relations, collective bargaining, human resource management, sociology, psychology, and law) in a multidisciplinary approach to workplace issues.

(3) Established credibility and working relationships with employers, unions, and government agencies on a national scale, and established means of providing education and technical assistance to each of the above groups that include publications, state-of-the-art electronic and video technology, and distinguished extension/outreach programs operating on a national and international level.

SEC. 1433. USE OF FUNDS.

(a) CENTER ACTIVITIES.—Payments made under this part may be used to establish and operate the Center, to bring together major independent researchers from the Center's member-institutions focused on the most significant workplace problems with the aim of analysis and synthesis of policy implications and dissemination of findings, and to support the following activities:

(1) The coordination and funding of research activities of the Center's member-institutions for collaborative collection and evaluation of data on changes and trends in the workplace and in the labor force, on established and emerging public policy issues, on the economic and occupational structures, and on work organizations and employment conditions.

(2) The analysis of the public policy implications of social and demographic changes in the United States as they relate to the workplace.

(3) The conduct of seminars for Federal and State policymakers on policy implications of the Center's findings. Such seminars shall be held at least once each year. In addition, the Center shall utilize electronic technology, such as computer networks and video conferencing, to convey the cumulative value of the Center's activities from year to year and to foster continuous exchange of ideas and information.

(4) The conduct of a National Conference once each year for the leaders of business and organized labor in the United States designed to convey the cumulative value of the Center's activities and to foster an exchange of ideas and information.

(5) The evaluation of the economic and social implications of national and international workplace and employment issues such as the impact of new technologies on job structure and the work organization, new employment concepts in American industry, alternative workplace policies and practices, and existing and proposed government policies.

(6) The provision of ready access to the Center's collective expertise for policy officials in the Federal and State governments and representatives of private and public sector organizations through meetings, publications, special reports, video conferences, electronic mail and computer networks, and other means to share up-to-date information on workplace and employment issues, practices, and innovations, the most promising options, and guidance in management of the change process.

(7) The development of programs, curricula, and instructional materials for colleges, universities, and other educational institutions designed to impart the knowledge and skills required to promote innovations in the design of work and employment conditions that enhance organizational performance and meet worker needs.

(8) The development and administration of a national repository of information on key workplace issues that can be readily accessed by the public and private sector.

(b) FELLOWSHIPS.—Payments made under this part may also be used to provide graduate assistantships and fellowships at the Center to encourage graduate study of the field of industrial and labor relations and to encourage graduate research in areas that are seen as critical to national competitiveness.

SEC. 1434. BOARD OF ADVISORS.

(a) BOARD.—There shall be appointed a Board of Advisors to the Center that shall consist of representatives of the private and public sectors and of the member-institutions of the consortium. Two members shall be appointed by the Chair of the House of Representatives Committee on Education and Labor, and two members shall be appointed by the Chair of the Senate Committee on Labor and Human Resources. Two members shall be appointed by the Secretary of Education. Four members shall be appointed by the Secretary of Labor: two from organizations that represent employers and two from organizations that represent trade unions. In addition, the President of each consortium member-institution shall appoint one member to the Board. Other members may be added to the Board by majority vote of the Board's appointed members.

(b) MEETINGS AND RESPONSIBILITIES.—The Board of Advisors shall meet from time to

time, but no less than twice each year, to review and advise the Center with respect to all aspects of its program. The Board shall submit an annual report to the Secretary of Education and the Secretary of Labor on the Center's activities and accomplishments.

SEC. 1435. GIFTS AND DONATIONS.

The Center is authorized to receive money and other property donated, bequeathed, or devised to the Center with or without a condition of restriction, for the purpose of furthering the activities of the Center. All funds or property given, devised, or bequeathed shall be retained in a separate account, and an accounting of those funds and property shall be included in the annual report of the Board of Advisors to the Secretary of Education and Secretary of Labor.

SEC. 1436. AUTHORIZATION.

There is authorized to be appropriated for fiscal year 1993, $2,500,000 which may remain available until expended to carry out the purposes of this part, and such sums as may be necessary for each of the 4 succeeding fiscal years.

TITLE XV—BUY AMERICA

SEC. 1501. SENSE OF CONGRESS.

It is the sense of the Congress that a recipient (including a nation, individual, group, or organization) of any form of student assistance or other Federal assistance under the Act should, in expanding that assistance, purchase American-made equipment and products.

SEC. 1502. NOTICE.

The Secretary of Education shall provide to each recipient of student assistance or other Federal assistance under the Act a notice describing the sense of the Congress stated under section 1501.

The bill, as amended, was ordered to be engrossed and read a third time, was read a third time by title.

The question being put, viva voce,

Will the House pass said bill?

The SPEAKER announced that the yeas had it.

Mr. FORD of Michigan demanded that the vote be taken by the yeas and nays, which demand was supported by one-fifth of the Members present, so the yeas and nays were ordered.

The vote was taken by electronic device.

It was decided in the affirmative ..... { Yeas ..... 365 / Nays 3

¶35.18 [Roll No. 62]

YEAS—365

Abercrombie
Ackerman
Alexander
Allard
Allen
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Aspin
Atkins
Bacchus
Barnard
Bateman
Beilenson
Bennett
Bentley
Bereuter
Bilbray
Bilirakis
Blackwell
Boehlert
Bonior
Borski
Boucher
Brewster
Brooks
Broomfield
Browder
Brown
Bruce
Bryant
Bustamante
Byron
Callahan
Camp
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clay
Clement
Clinger
Coble
Coleman (MO)
Coleman (TX)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooper
Costello
Cox (CA)
Cox (IL)
Coyne
Cramer
Cunningham
Darden
de la Garza
DeFazio
DeLauro
DeLay
Dellums
Derrick
Dickinson
Dicks
Dingell
Dixon
Dooley
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Duncan
Durbin
Dymally
Early
Eckart
Edwards (CA)
Edwards (OK)
Edwards (TX)
Emerson
Engel
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Fields
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Franks (CT)
Frost
Gallegly
Gallo
Gaydos
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Goss
Grandy
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hatcher
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Hertel
Hoagland
Hobson
Hochbrueckner
Holloway
Hopkins
Horn
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
James
Jefferson
Johnson (SD)
Johnson (TX)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kildee
Kleczka
Klug
Kolbe
Kopetski
Kostmayer
Kyl
Lagomarsino
Lancaster
Lantos
LaRocco
Leach
Lehman (CA)
Lent
Levin (MI)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken
Machtley
Manton
Marlenee
Martin
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McCurdy
McDade
McDermott
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Moran
Morella
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nichols
Nowak
Nussle
Oakar
Oberstar
Obey
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Pastor
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Peterson (MN)
Petri
Pickett
Pickle
Porter
Poshard
Price
Quillen
Rahall
Ramstad
Rangel
Ravenel
Ray
Reed
Regula
Rhodes
Richardson
Rinaldo
Ritter
Roe
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal
Sabo
Sanders
Sangmeister
Sarpalius
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schroeder
Schulze
Schumer
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shuster
Sikorski
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (OR)
Snowe
Solarz
Spence
Spratt
Staggers
Stallings
Stearns
Stokes
Studds
Sundquist
Swett
Swift
Tallon
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (WY)
Thornton
Torres
Towns
Traficant
Unsoeld
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Washington
Waters
Weber
Weiss
Weldon
Wheat
Williams
Wise
Wolf
Wyden
Yates
Young (AK)
Zeliff
Zimmer

NAYS—3

Crane
Doolittle
Stump

NOT VOTING—66

Archer
Armey
AuCoin
Baker
Ballenger
Barrett
Barton
Berman
Bevill
Bliley
Boehner
Boxer
Bunning
Burton
Coughlin
Dannemeyer
Davis
Donnelly
Dwyer
Ewing
Feighan
Gradison
Herger
Jenkins
Johnson (CT)
Kennelly
Kolter
LaFalce
Laughlin
Lehman (FL)
Levine (CA)
Markey
Martinez
McCandless
McCrery
McEwen
Miller (WA)
Morrison
Mrazek
Olin
Paxon
Peterson (FL)
Pursell
Ridge
Riggs
Roberts
Russo
Santorum
Sisisky
Smith (NJ)
Smith (TX)
Solomon
Stark
Stenholm
Synar
Thomas (CA)
Thomas (GA)
Torricelli
Traxler
Waxman
Whitten
Wilson
Wolpe
Wylie
Yatron
Young (FL)

So the bill was passed.

On motion of Mr. FORD of Michigan, pursuant to House Resolution 403, the bill of the Senate (S. 1150) to reauthorize the Higher Education Act of 1965, and for other purposes; was taken from the Speaker's table.

When said bill was considered and read twice.

Mr. FORD of Michigan submitted the following amendment, which was agreed to:

Strike out all after the enacting clause and insert the provisions of H.R. 3553, as passed by the House.

The bill, as amended, was ordered to be read a third time, was read a third time by title, and passed.

By unanimous consent, the title was amended so as to read: ''An Act to amend and extend the Higher Education Act of 1965.''.

A motion to reconsider the votes whereby said bill, as amended, was passed and the title was amended was, by unanimous consent, laid on the table.

Ordered, That the Clerk request the concurrence of the Senate in said amendments.

By unanimous consent, H.R. 3553, a similar House bill, was laid on the table.

On motion of Mr. FORD of Michigan, pursuant to the House Resolution 403, it was,

Resolved, That the House insist upon its amendments to the foregoing bill and request a conference with the Senate on the disagreeing votes of the two Houses thereon.

Thereupon, the SPEAKER announced the appointment of the following Members as managers on the part of the House at said conference:

From the Committee on Education and Labor, for consideration of the Senate bill, and the House amendment, and modifications committed to conference: Messrs. FORD of Michigan, GAYDOS, MILLER of California, KILDEE, WILLIAMS, HAYES of Illinois, SAWYER, PAYNE of New Jersey, Mrs. LOWEY of New York, Mrs. UNSOELD, Mr. WASHINGTON, Mr. SERRANO, Mrs. MINK, Messrs. ANDREWS of New Jersey, JEFFERSON, REED, ROEMER, GOODLING, PETRI, COLEMAN of Missouri, Mrs. ROUKEMA, Messrs. GUNDERSON, ARMEY, and HENRY, Ms. MOLINARI, Mr. BARRETT, and Mr. KLUG.