HOUSE OF REPRESENTATIVES—*Thursday, March 26, 1992*

The House met at 11 a.m.

The Reverend Gary Hill, Ebenezer Methodist Church, Knoxville, TN, offered the following prayer:

Heavenly Father, in whose kingdom no strength is greater than the strength of love, we honor You today as the king of all nations and humbly request that Your grace be so all encompassing that it gather Your children of every nation under the single banner of peace.

May an uncommon wisdom be bestowed upon those who labor for what is right and honorable and true and just. For as Your holy light shines through us, those dividing forces of anger, suspicion, hatred, and oppression will be forced aside as the waters of a troubled sea and there shall be established peace in Your church, peace among nations, peace in our homes, and peace in our hearts. It is in Your powerful and loving name we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from New Jersey [Mr. ZIMMER] lead the House in the Pledge of Allegiance.

Mr. ZIMMER led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate disagrees to the amendments of the House to the bill (S. 1306) entitled "An act to amend title V of the Public Health Service Act to revise and extend certain programs, to restructure the Alcohol, Drug Abuse and Mental Health Administration, and for other purposes," and agrees to the conference asked by the House on the disagreeing votes of the two houses thereon, and appoints Mr. KENNEDY, Mr. PELL, Mr. METZENBAUM, Mr. DODD, Mr. HARKIN, Mr. ADAMS, Mr. HATCH, Mr. COATS, Mr. THURMOND, and Mr. DURENBERGER to be the conferees on the part of the Senate.

The message also announced that the Senate had passed concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. Con. Res. 102. Concurrent resolution to provide for a Joint Congressional Committee on Inaugural Ceremonies; and

S. Con. Res. 103. Concurrent resolution authorizing the rotunda of the United States Capitol to be used on January 20, 1993, in connection with the proceedings and ceremonies for the inauguration of the President-elect and the Vice-President-elect of the United States.

The message also announced, that pursuant to Public Law 102–240, the Chair, on behalf of the Republican Leader, appoints Mr. Ralph Stanley of Virginia, as a member of the Commission to Promote Investment in America's Infrastructure.

THE REVEREND GARY HILL

(Mr. CLEMENT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CLEMENT. Mr. Speaker, it is a pleasure to introduce this morning as our guest chaplain, the Reverend Gary Hill of Knoxville. Reverend Hill is the pastor of Ebenezer United Methodist Church.

Born in Oak Ridge, Reverend Hill grew up in Oolteah, TN, a suburb of Chattanooga. In 1967 he joined the U.S. Navy, where he served for 4 years in the submarine service.

After the Navy, he attended the University of Tennessee, where he received a bachelor's degree. He then attended Duke University, where he earned the master of divinity degree in 1978.

After serving several years in the local parish of the United Methodist Church, Reverend Hill again entered the U.S. Navy, this time as a chaplain. He was stationed at Pearl Harbor, from which he made two deployments to the Indian Ocean.

Reverend Hill and his wife, Connie, have two children, Luke, age 12, and Justin, age 10. Reverend Hill now lives in Knoxville where, as I mentioned, he serves as pastor of Ebenezer United Methodist Church.

Reverend Hill also presided at the marriage of the former Miss Tennessee, Sonya Pleasant, who is a wonderful person, and who lives and resides here in Washington, DC, with her husband, David.

Mr. Speaker, I am pleased to welcome Reverend Hill, his family and his friends to the U.S. House of Representatives.

APPOINTMENT OF CONFEREES ON S. 3, SENATE ELECTION ETHICS ACT OF 1991

The SPEAKER. The Chair appoints the following conferees on S. 3 to amend the Federal Election Campaign Act of 1971 to provide for a voluntary system of spending limits for Senate election campaigns, and for other purposes, and without objection, additional conferees may be appointed by the Chair: Messrs. ROSE, GEJDENSON, GEPHARDT, SWIFT, PANETTA, SYNAR, KLECZKA, THOMAS of California, EDWARDS of Oklahoma, LIVINGSTON, and WALSH.

As additional conferees from the Committee on Energy and Commerce, for consideration of sections 103 and 202 of the Senate bill, and section 802 of the House amendment, and modifications committed to conference: Messrs. DINGELL, MARKEY, and LENT.

As additional conferees from the Committee on Post Office and Civil Service, for consideration of sections 104, 404, 409, and 411 of the Senate bill, and section 103 of the House amendment, modifications committed to conference: Messrs. CLAY, MCCLOSKEY, and GILMAN.

There was no objection.

INTRODUCTION OF LEGISLATION TO PROMOTE OPEN SPACE PRESERVATION

(Mr. ZIMMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ZIMMER. Mr. Speaker, today I am introducing the second half of my legislative package to promote open space preservation.

Many owners of undeveloped land are willing to sell their property or their development rights to a government entity or a charitable organization at a price below its fair market value just to ensure its preservation.

However, for tax purposes, the owners are only allowed to subtract a fraction of the property's original cost from the selling price when calculating their gain in such a situation.

This effectively raises taxes on the sale and serves as a deterrent to open space preservation.

My bill would amend the Tax Code so that the gain from these bargain sales would be calculated using the full original cost of the land.

This would eliminate the disincentive for individuals to sell land at reduced prices for open space preserva-

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

tion and would help protect America's heritage.

I urge my colleagues to join me in support of this legislation.

HIGHER EDUCATION REAUTHORIZATION

(Mr. DERRICK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERRICK. Mr. Speaker, today we are giving higher education the attention it deserves. In America, every child is given the opportunity for a free public education. Yet, when the low- or middle-income student reaches college age access to a postsecondary education is greatly eroded.

Individuals from upper income families are four times more likely to be enrolled in college than those from lower income families. That's why financial aid programs from Pell grants to guaranteed student loans are essential for most families. They make the difference between a college education and no college education for thousands of families.

Mr. Speaker, this Nation must have educated people, not just educated rich people. Education has the means to put all people on the road to equality. Let's continue on that road. It's a matter of fairness. We must not shut out needy and deserving students from hard-pressed low- and middle-income families.

I urge my colleagues to support the higher education reauthorization.

INTRODUCTION OF LEGISLATION TO PROHIBIT CAMPAIGN FUNDS CONVERSION

(Mr. GEKAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEKAS. Mr. Speaker, as you know, there exists in current law a gigantic loophole which permits Members of Congress who were elected before 1980 who if they retire before 1993 would be able to convert to their own personal use any and all moneys left over in their campaign funds. The American public will not stand for this outcome. Therefore, I am introducing legislation today that will prohibit any conversion to personal use of any campaign funds left over at the end of this current year, the last year for which those people are eligible to do so.

If there is any kind of campaign finance reform on which we can all agree, it is this.

There are many Members who fall in that category who have already declared that they will not use those left over campaign funds for their personal use, and that is fine. We accept that, but the law in this Congress ought to be reflective of the will of the American people that the practice should be prohibited under the law.

Mr. Speaker, I ask all Members to join in this effort.

OPENING THE DOORS OF OPPORTUNITY FOR HIGHER EDUCATION

Mr. PRICE. Mr. Speaker, there are few issues as important for out country as the one we are considering today—opening the doors of opportunity for higher education.

Over the last decade, college costs have risen much faster than either Federal student aid or middle-class family income. Middle-class families are being squeezed, forced to carry a heavy debt burden to send their kids to college.

Today, the House will vote to ease that burden by passing the Higher Education Act.

This bill revamps and streamlines Federal student aid programs, cracks down on fraud and abuse, and simplifies the student aid process.

And it opens up opportunities for middle-class families by making more middle-class students eligible for Pell grants and guaranteed student loans.

These programs were slashed to the bone in the Reagan years, and many middle-class families were cut out of the program.

The Higher Education Act will turn that around, making almost 2 million additional kids from middle-income working families eligible for Pell grants and guaranteed student loans next year.

This bill puts our priorities in the right place, and helps hard-working American families realize the dream of higher education for their children. I'm proud to support it.

FREEDOM-LOVING PEOPLE THROW OFF THE YOKE OF COMMUNISM

(Mr. ZELIFF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ZELIFF. Mr. Speaker, I was privileged to lead a privately funded mission to Yugoslavia and Albania last weekend, to observe the elections in Albania.

What a thrill it was to see these freedom loving people throw off the yoke of communism. We witnessed, first hand what would appear to be the final death blow to Communist repression in Eastern Europe. We witnessed the euphoric jubilation of the hundreds of thousands of Albanian citizens in Tirana Square.

When Sali Barisha, chairman of the anti-Communist Democratic Party spoke to his supporters following their tremendous victory in a free election. The over 60 percent of the vote that his party received means that Sali Barisha will in all likelihood be elected as President, when the new parliament convenes. We had a chance to tour the countryside, and see first hand the plight of the Albanians in Macedonia and Kosova as they struggle for freedom and basic human and civil rights.

Mr. Speaker, we ought to support these freedom loving people and their fledgling democracies by assembling a coalition of governments, private foundations, and the business community. We received the support of Lafayette and Kosciusko in our revolution. We should not turn our backs on the freedom seeking Albanians and other Eastern European groups who so desperately need our help now in order to survive.

THE PEOPLE WILL DECIDE

(Mr. DOOLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOOLEY. Mr. Speaker, I have listened to the bombastic rhetoric of my Republican colleagues calling for a change in leadership of this House.

These Republicans think that voters have been fooled in the past, but that they won't be anymore.

That is bunk, Mr. Speaker. The American people know the score.

Every 2 years, the people of this country have the option of changing the majority party of this House.

Every 2 years they study the issues. They size up the opponents. They make informed choices. And in overwhelming majorities they continue to vote for Democrats.

They know who in this House offers hope for the unemployed. They know who seeks to make health care affordable to all Americans. And they know who is fighting for fairness on taxes.

It is always up to the people, Mr. Speaker. And they know that the Democratic Party is on their side.

TIME TO PRESERVE STATE AND LOCAL LEGISLATIVE RIGHTS

(Mr. THOMAS of Wyoming asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. THOMAS of Wyoming. Mr. Speaker, I rise to introduce legislation that recognizes the primary legislative rights and prerogatives of State and local governments.

As a former State legislator, I have seen Federal intervention into State and local matters on many occasions. Sometimes it is warranted, sometimes it is not. But Congress has had to subsequently enact many bills and amendments to clarify what it is they've done to these Governments, and that has usually entailed many additional costs.

Our Constitution created a Federal system, but it did preserve for the States some rights to manage their

own affairs. Congress has enacted laws that specifically preempt these rights. More times than not, they have passed laws so vague that the courts have had to step in to interpret the intent, usually to the detriment of State and local governments.

As I've stated in the bill, preemptive statutes provide little guidance for State and local governments. They create uncertainty and increase litigation. They sometimes create results contrary to congressional intent.

My legislation is very simple. It would require Congress to specifically state that it is the intent of a proposed bill to preempt State and local laws and regulations. It would also require the Congressional Research Service to compile and publish a report of all preemptions enacted into law during each Congress, as well as preemptions caused by judicial interpretation during that same time period.

My legislation will not stop preemption. There are some instances where the Federal Government must—and should—assume this task. The bill simply requires that when we take this step, we do it in a forthright, honest and public manner, and determine the costs of Congress' actions.

This legislation has already been introduced in the other Chamber by Senator LEVIN of Michigan and Senator DURENBERGER of Minnesota. It has received the support of the National Conference of State Legislatures. I ask my colleagues to cosponsor this needed legislation.

Widespread Federal preemption of State and local laws is a problem that needs to be addressed. It handcuffs State and local officials as they try to deal with the problems they face firsthand. It has increased the caseload of the Federal court system. Most importantly, it obscures the fundamental principle of a separate Federal and State Government created by the Constitution.

CAMPAIGN FINANCE REFORM

(Mr. MAZZOLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAZZOLI. Mr. Speaker, daily for the past weeks I have spoken here in the well in behalf of passage of fundamental, comprehensive campaign finance reform legislation. I am very pleased today that you have, Mr. Speaker, appointed conferees on the part of the House to confer with the conferees on the part of the other body to produce legislation reforming the campaign laws.

Any worthy piece of legislation, which returns to this Chamber, should have very strict limits on campaign spending, should reduce the influence of political action committees and special interests on the campaign process, and certainly should eliminate the practices of bundling and the use of soft money, which the New York Times calls sewer money. It is only, by passing campaign finance reform, that we will be able to restore the confidence of the people in this system of government. Our conferees have the opportunity to halt the unending and, I am sorry to say, the unedifying quest for money which drives the political process, and return to the heart of that process the people of America.

I commend them to that worthy task.

POTENTIAL FOR EXPORTS IN SOUTHEAST ASIA

(Mr. BEREUTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, for my export 1-minute today, I would like to address a potential lost opportunity for United States business in Southeast Asia.

Yesterday, the Journal of Commerce reported that U.S. businesses are losing an important competition for exports to one of the world's fastest growing regions, Southeast Asia. While many experts believe the countries of Brunei, Indonesia, Malaysia, the Philippines, Singapore, and Thailand hold a vast potential for future United States exports, current figures reveal that European Community and Japanese business interests have been much more aggressive in pursuing these vast markets.

For example, in packaged food sales, United States industries hold a mere one-sixth of the market share that European Community food processors possess. Yet the problems are not limited to this important sector of trade between the United States and Southeast Asia. U.S. Ambassadors to the region are urging all U.S. businesses to increase their efforts in the six countries, and they pledged their help in aggressively pursuing the vast potential of these markets.

Mr. Speaker, an aggressive effort and exploration of markets is sorely needed in Southeast Asia. Several reports suggest that it is not the quality of U.S. products which account for small market shares; it is inadequate marketing, service, and selling initiatives which have hampered U.S. sales to the region.

Unfortunately, this trend cannot continue if U.S. business hopes to tap into one of the world's fastest growing regions. The U.S. economy is dependent upon exports and new markets. Therefore, this Member urges his fellow Members, U.S. Ambassadors and agencies in the region, and U.S. businesses to seize the export opportunities presented in Southeast Asia.

MA BELL MAY BECOME TACO BELL

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, as we speak, a free trade agreement with Mexico is being ironed out. But a Mexican spokesman said Mexico will have no banking regulations.

Now, we already know that Mexico has no safety regulations, no health regulations, no environmental regulations, no wage regulations. Tell me, Mr. Speaker, how can we have a free trade agreement with Mexico when they have no regulations and can pay their workers $1 per hour?

Mr. Speaker, it is free trade, all right—free and easy for Mexico and another shaft for the American workers.

Mr. Speaker, I predict with this agreement Ma Bell will become known as Taco Bell. But I say our tax and trade laws are unconstitutional.

I want to know how an American family can enjoy life, liberty, and the pursuit of happiness without a job.

OUT OF CONTROL

(Mr. JAMES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JAMES. Mr. Speaker, this House is out of control.

This morning, the Washington Post reported that the House counsel thinks the Capitol Hill Police are out of control.

The House bank was out of control, which was one reason for the rubber check scandal.

The House post office was so out of control that it became a center for cocaine dealing and embezzlement.

The ethics of this institution are out of control. The American people question whether the Members of Congress know the difference between right and wrong, or care about that difference.

We must take steps to restore order and control to the House. Speaker FOLEY has appointed his own Capitol Hill insider to be temporary Sergeant at Arms. Instead, this House should select a career law enforcement official, an outsider, to come in to supervise the cleanup. We need to restore the basic processes of ethics and law enforcement—now.

The voters in any city or county engulfed by a wave of corruption would demand an outsider be brought in to clean up. We should demand the same.

□ 1120

SENATOR RUDMAN'S WORDS MUST BE HEEDED

(Mr. SWETT asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. SWETT. Mr. Speaker, I rise today in tribute to a great statesman and public servant from my home State of New Hampshire—Senator WARREN RUDMAN, who has announced that he will not be seeking a third term in the U.S. Senate.

Senator RUDMAN is widely respected both here on the Hill and in his home State. His policy of putting the public interest above partisan politics has enabled him to pass landmark legislation as well as gain the favor of both sides of the isle.

Even as he ended the speculation of a third run, he spoke first to the state of the Nation, forcing the press and the public to acknowledge the growing financial disaster facing our country. All of us who witnessed his press conference were touched by his obvious love and concern for his country.

Mr. Speaker, let us heed the words of Senator RUDMAN. The growing budget crisis does put our country at risk. Borrowing without bounds does set the course for other nations to dictate our policies in the future. Let us honor our fellow colleague Senator RUDMAN by showing the courage and character to make the hard choices necessary for our country.

OUT-OF-STATE WASTE AND MAGOFFIN COUNTY

(Mr. ROGERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROGERS. Mr. Speaker, Magoffin County may be a small county in eastern Kentucky, but the people of Magoffin County are sending their elected leaders a big message: They will not accept out-of-State waste.

People are angry and they should be.

No region, no town, no county should be forced to accept the growing volumes of solid waste that flow from other regions.

The solid waste export business is booming for major corporations and shippers in the East. Yet States like Kentucky do not have a say in determining what goes into their own backyards.

Mr. Speaker, this is wrong. The people of Magoffin County and other communities need the legislative authority to say "no" to out-of-State waste.

That is why I am delighted that my colleagues on the Subcommittee on Transportation and Hazardous Waste were able to craft legislation that will give States and local communities the power to control and ban out-of-State waste if they choose.

This is the first step. The battle is not over. As the House begins work on crafting the Nation's solid waste statute, I will fight to keep this provision intact.

Give the people of Magoffin County the right to control what goes into their own backyards. Give them the power to just say "no" to out-of-State waste.

INTRODUCTION OF JOINT RESOLUTION PROVIDING FOR RELEASE OF KENNEDY ASSASSINATION MATERIALS

(Mr. STOKES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STOKES. Mr. Speaker, on January 28, 1992, I sent a "Dear Colleague" letter to my colleagues in the House expressing my concern for the letters and telephone calls that have recently been generated by media interest and concern over the records pertaining to the assassination of President John F. Kennedy. As the former chairman of the House Select Committee on Assassinations, I wanted my colleagues to know my position on this matter. Today, I rise to introduce, for myself and a number of our colleagues, a joint resolution to provide for the expeditious release of materials in the possession of the Government relevant to the assassination of President John F. Kennedy. I am joined in this effort by our colleague in the other body, the chairman of the Select Committee on Intelligence of the Senate, DAVID BOREN, who will introduce this measure in that body today.

Mr. Speaker, in the 2-month period since I first sent a "Dear Colleague" to my colleagues in the House indicating that I was in the process of drafting this resolution, I have had the benefit of the legal talent of Prof. Robert Blakey of Notre Dame University Law School, who has worked tirelessly in drafting the resolution which we introduce today. Professor Blakey was former counsel for the House Select Committee on Assassinations, and the House owes him a personal debt of gratitude for his pro bono services in this matter.

Additionally, I have had the cooperation of: Britt Snider and David Halperin of the Senate Select Committee on intelligence; Robert Hertling of the Senate Judiciary Committee; Julien Epstein, Donald Goldberg, and Robert Gellman, of the Committee on Government Operations; Bob Brink of the House Judiciary Committee; Charlie Howell and Jodie Jeremiah, of the Committee on House Administration; and the assistance of both my legislative director and my press secretary, Leslie Atkinson and Joyce Larkin. All of this involvement was for the purpose of arriving at a point of general agreement on a resolution that would satisfy all concerned with ensuring the enactment of this legislation.

Mr. Speaker, I am committed to the principle that Americans are entitled to know all of the facts and circumstances surrounding the assassination of President Kennedy and feel that Congress has the responsibility to see that all records pertaining to that event are put in the public domain.

It is my intention to seek original cosponsors of the joint resolution introduced today. I hope that all of my colleagues will provide me with the opportunity to have their support.

THE HIGHER EDUCATION ACT, AN INVESTMENT IN OUR FUTURE

(Mr. BLACKWELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BLACKWELL. Mr. Speaker, today this institution has the unique opportunity to further consider one of the most essential pieces of legislation that will come before us this year. The Higher Education Act transcends all partisan politics and allows all the Members of this body to voice their support for an issue that will define the future of our great Nation.

The numbers speak for themselves, Mr. Speaker. When this legislation is reauthorized, an additional 1.1 million middle-income students will be eligible for Pell grants in the first year alone. Clearly, an increase of this magnitude will provide a great many people that might not have had the necessary funding to secure a college education a chance to realize their dreams.

I cannot tell you, Mr. Speaker, how many people in my district have had the direct opportunity to improve their lives through the use of the Higher Education Act in past years.

There is nothing more touching than to see a child who has worked so hard for so many years finally have the opportunity to attend college. In many cases, these children are often the first member of their family ever to achieve this tremendous goal, a goal that could never have been realized without the financial support provided through this vital legislation.

In addition, Mr. Speaker, this bill provides essential funding for the Women and Minorities Science and Engineering Outreach Program, as well as other key programs which seek to provide new and unprecedented opportunities for the best and brightest of America's future.

At a time, Mr. Speaker, when this institution has come under much scrutiny and harsh criticism, we now have an opportunity to act upon a piece of legislation that every single Member of this body can take great pride in—knowing that by passing this reauthorization we will truly be making a positive difference for our future.

□ 1130

FLAT TAX PROPOSAL TERMED A DREADFUL IDEA

(Mr. PEASE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEASE. Mr. Speaker, I take no position at all so far on the Democratic primaries, but I must say that one candidate, Jerry Brown of California, has come up with truly a dreadful idea. I refer to his motion of scrapping the progressive income tax system and moving instead to a flat tax.

I suspect that a 13-percent flat tax would not be high enough to bring in the revenue needed for the Government, but even if it were, a flat tax means that most people in this country earning under $30,000 a year would pay more in taxes and most people earning over $30,000 would pay less in taxes. It is hard for me to see how anyone who is at all progressive can think in terms of a flat tax, which would raise taxes on poor people and middle-income people and lower taxes for those who are at the high end of the scale.

THE CONTINUED PROLIFERATION OF THE AIDS EPIDEMIC

(Mr. BURTON of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURTON of Indiana. Mr. Speaker, this morning it was announced by Dr. Sullivan, the head of HHS, that we have a worse epidemic as far as AIDS is concerned than we had previously thought. Forty thousand people a year are dying from AIDS, he said, and 40,000 are contracting the disease or getting HIV. That is one out of every 250 Americans. Just look around this room. One out of every 250 Americans is carrying the virus, according to HHS, and we are not doing anything about it.

I believe the epidemic is worse than that. I believe that we have 4 to 6 million people infected, which means that one out of every 40 or 60 Americans has the disease, and they are going to die from it. Many of them will not know for as many as 10 years that they even have the disease, and during that entire time they can infect other Americans.

On our college campuses and in our high schools we know that 80 percent of the kids are sexually active, and many of them are going to die from AIDS because we are not doing something about it. We need a comprehensive program to deal with it, and the cornerstone of that program has to be routine testing. We do not even know who has it. We have to identify those people, we have to have compassion for them, we have to protect our jobs, we have to do scientific research and development, but we have got to know where the disease is, where it is spreading, how it is spreading, and who is spreading it.

Mr. Speaker, if we do not deal with this very quickly, we are going to lose 10, 20, or 30 million Americans. It is going to be devastating to our health system. We have to get on with the job. We cannot keep our heads in the sack forever around this place.

INTRODUCTION OF DRIVER'S LICENSE INFORMATION PROTECTION ACT

(Mr. MORAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MORAN. Mr. Speaker, today I am introducing legislation to close a dangerous loophole in current law and protect the privacy of individuals. This legislation, the Driver's License Information Protection Act will prohibit State motor vehicle departments from disseminating private information to individuals, including a person's name and address, based solely on their license plate number.

In 43 States across the country, an individual may access information about someone simply by submitting their license plate number and a small fee to the State department of motor vehicles [DMV]. Although most people are unaware of the easy availability of this information, it has not gone unnoticed by unscrupulous individuals who use the information to their own ends.

In California, in 1989, Rebecca Schaeffer, star of the hit TV series "My Sister Sam," was murdered when a crazy fan came to her home and shot her to death. Although the actress had an unlisted number for safety reasons, the fan had tracked her down through a Tucson detective agency that obtained her address through California DMV records. Since her death, Ms. Schaeffer's friends and family lobbied the California legislature to repeal this loophole in State law. Today, it is no longer possible to get such information from the California DMV.

In Minnesota, the Lambs of Christ, a radical antiabortion group, obtained the name and address of Dr. Susan Wicklund, an abortion provider, through Minnesota's DMV. Since this time, the Lambs have followed Dr. Wicklund in caravans to work, prevented her from leaving her home, broken into her home, and followed her daughter to school. Dr. Wicklund came forward with her story after the Lambs went so far as to disseminate leaflets to children at her daughter's school. These leaflets asked the children if they knew that their classmate's mother, Dr. Wicklund, was a baby killer. Although Dr. Wicklund's ordeal is more publicized and extreme, it is by no means unique. Since coming forward with her story, and appearing on the program "60 Minutes," Dr. Wicklund has been flooded with mail from people around the country who have similar stories of harassment.

In the antiabortion pamphlet, "99 Ways to Stop Abortion," Joe Scheidler specifically suggests that activists obtain information about individuals going to clinics through their license plate numbers. One extremist group even has issued a press release stating:

> We are starting to have our volunteers to take down the license number of anyone that they are not able to give literature to. We then trace their license number through legal means, and obtain their name and address. We then mail literature to them the same day. Some of the vehicles are registered to parents or friends who can pass the information on to the appropriate person.

We all agree that those opposed to abortion have every right to freely express their view, but in these cases that right is being abused, and instead innocent people are being victimized. In each of these instances, the privacy of individuals is being eroded because the Government all too easily disseminates private information about individuals. With Government's increasing capacity to collect and disseminate data, legislation should be passed to protect basic privacy rights.

I would urge each of my colleagues to join me in supporting the Driver's License Information Protection Act, which protects those basic privacy rights and closes a dangerous loophole in current law.

INSPECTOR GENERAL OVERSIGHT SUGGESTED FOR HOUSE OF REPRESENTATIVES

(Mr. RITTER asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. RITTER. Mr. Speaker, it is time to change the way this House does business. The American people are crying out for such change.

We have heard a lot of talk about a House administrator. A House administrator, I submit, is more of the same. It is more of the same with the ruling party, which has been in charge around here for 5 decades, controlling this House administrator.

Yesterday I joined my colleague, the gentleman from Pennsylvania [Mr. RIDGE], in calling for an inspector general to help set this place straight. Sixty-one agencies of the Federal Government have an inspector general.

An inspector general would be independent, an inspector general would be bipartisan, and an inspector general would not be beholden to the inbred power structure that is running this place and that has created such a mess.

Mr. Speaker, we are not above the law. We need a housecleaning, a thorough housecleaning. An inspector general meets that need.

HIGHER EDUCATION AMENDMENTS OF 1992

The SPEAKER pro tempore (Mr. HOAGLAND). Pursuant to House Resolution 403 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3553.

□ 1140

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3553) to amend and extend the Higher Education Act of 1965 with Mr. PEASE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, March 25, 1992, all time for general debate had expired.

Pursuant to the rule, the amendment in the nature of a substitute consisting of the text of H.R. 4471, as modified by the amendment printed in House Report 102-462, shall be considered by titles as an original bill for the purpose of amendment, and each title is considered as read.

No amendment to said substitute shall be in order except pro forma amendments for the purpose of debate and those amendments printed in the amendment portion of the CONGRESSIONAL RECORD prior to consideration.

The Clerk will designate section 1.

The text of section 1 is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

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

(a) SHORT TITLE.—This Act may be cited as the "Higher Education Amendments of 1992".

(b) REFERENCES.—References in this Act to "the Act" are references to the Higher Education Act of 1965.

(c) TABLE OF CONTENTS.—

TITLE I—PARTNERSHIPS FOR EDUCATIONAL EXCELLENCE

Sec. 101. Revision of Title I.

"TITLE I—PARTNERSHIPS FOR EDUCATIONAL EXCELLENCE

"Sec. 100. Authorization of appropriations.

"PART A—URBAN COMMUNITY SERVICE

"Sec. 101. Statement of purpose.
"Sec. 102. Application for urban community service grants.
"Sec. 103. Allowable activities.

"PART B—URBAN AND RURAL COLLEGE, UNIVERSITY, AND SCHOOL PARTNERSHIPS

"Sec. 121. Purpose.
"Sec. 122. Agreement.
"Sec. 123. Grants.
"Sec. 124. Grant application.

"PART C—ADMINISTRATIVE PROVISIONS FOR PARTS A AND B

"Sec. 131. Peer review.
"Sec. 132. Disbursement of funds.
"Sec. 133. National network.
"Sec. 134. Definitions.

"PART D—ARTICULATION AGREEMENTS

"Sec. 141. Findings.
"Sec. 142. Purpose.
"Sec. 143. Authorization of grants.
"Sec. 144. State application.
"Sec. 145. Local applications.
"Sec. 146. Articulation agreement.
"Sec. 147. State administration.
"Sec. 148. Priority.
"Sec. 149. Reports.

"PART E—ACCESS AND EQUITY TO EDUCATION FOR ALL AMERICANS THROUGH TELECOMMUNICATIONS

"Sec. 171. Establishment of program.

TITLE II—ACADEMIC LIBRARY AND INFORMATION TECHNOLOGY ENHANCEMENT

Sec. 201. Revision of title II.

"TITLE II—ACADEMIC LIBRARIES IN AN ELECTRONIC NETWORKED ENVIRONMENT

"Sec. 201. Purpose; authorization.
"Sec. 202. Notification of State agency.
"Sec. 203. Administration.

"PART A—COLLEGE LIBRARY TECHNOLOGY AND COOPERATION GRANTS

"Sec. 211. Grants for technology, networking, and other purposes.

"PART B—LIBRARY EDUCATION, RESEARCH, AND DEVELOPMENT

"Sec. 221. Grants authorized.
"Sec. 222. Library education and human resource development.
"Sec. 223. Research and demonstration.
"Sec. 224. Consultation requirements.

"PART C—IMPROVING ACCESS TO RESEARCH LIBRARY RESOURCES

"Sec. 231. Research library resources.
"Sec. 232. Geographical distribution of grants.

"PART D—STRENGTHENING LIBRARY AND INFORMATION SCIENCE PROGRAMS IN HISTORICALLY BLACK COLLEGES AND UNIVERSITIES

"Sec. 241. Strengthening library and information science programs and libraries in Historically Black Colleges and Universities.

"PART E—FUNDING PROHIBITION

"Sec. 251. Funding prohibition.

TITLE III—INSTITUTIONAL AID

Sec. 301. Findings.
Sec. 302. Amendments to part A.
Sec. 303. Amendments to part B.
Sec. 304. Amendments to part C.
Sec. 305. Amendments to part D.

TITLE IV—STUDENT ASSISTANCE

PART A—GRANTS TO STUDENTS IN ATTENDANCE AT INSTITUTIONS OF HIGHER EDUCATION

SUBPART 1—FEDERAL PELL GRANTS

Sec. 411. Federal Pell Grant program.
Sec. 412. Unification of needs analysis systems.

SUBPART 2—FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS

Sec. 413. Amendments to subpart 2 of part A.

SUBPART 3—STATE STUDENT INCENTIVE GRANTS

Sec. 415. Amendments to subpart 3 of part A.

SUBPART 4—FEDERAL EARLY OUTREACH AND STUDENT SERVICES PROGRAMS

Sec. 417. Establishment of new subpart.

"SUBPART 1—FEDERAL EARLY OUTREACH AND STUDENT SERVICES PROGRAMS

"Sec. 401. Findings.

"CHAPTER 1—TRIO PROGRAMS

"Sec. 401A. Program authority; authorization of appropriations.
"Sec. 401B. Talent search.
"Sec. 401C. Upward Bound.
"Sec. 401D. Student support services.
"Sec. 401E. Postbaccalaureate achievement program authority.
"Sec. 401F. Educational opportunity centers.
"Sec. 401G. Staff development activities.
"Sec. 401H. Outreach grants.
"Sec. 401I. Evaluation for project improvement.

"CHAPTER 2—NATIONAL LIBERTY SCHOLARSHIPS AND PARTNERSHIPS PROGRAMS

"Sec. 403A. Programs authorized.
"Sec. 403B. State eligibility; State plan.
"Sec. 403C. Financial aid program.
"Sec. 403D. Partnership program.
"Sec. 403E. Payment requirements.
"Sec. 403F. Allotment.
"Sec. 403G. Definitions.
"Sec. 403H. Appropriations.

"CHAPTER 3—MODEL PROGRAM COMMUNITY PARTNERSHIP COUNSELING GRANTS

"Sec. 404A. Model program grants.
"Sec. 404B. Diffusion network activities.
"Sec. 404C. Authorization of appropriations.

"CHAPTER 4—HONORS AWARDS

"Sec. 405A. Scholarships authorized.
"Sec. 405B. Eligibility of scholars.
"Sec. 405C. Eligible early intervention programs.
"Sec. 405D. Scholarship amount.
"Sec. 405E. Award procedures.

"CHAPTER 5—TECHNICAL ASSISTANCE FOR TEACHERS AND COUNSELORS

"Sec. 406A. Technical assistance grants.

"CHAPTER 6—NATIONAL STUDENT SAVINGS DEMONSTRATION PROGRAM

"Sec. 407A. National student savings demonstration program.

"CHAPTER 7—PUBLIC INFORMATION

"Sec. 408A. Database and information line.
"Sec. 408B. Public advertising.
"Sec. 408C. Database and information line.

"CHAPTER 8—CONGRESSIONAL ACHIEVEMENT SCHOLARSHIP PROGRAM

"Sec. 409A. Purpose; appropriations authorized.
"Sec. 409B. Scholarships authorized.
"Sec. 409C. Eligibility of scholars.
"Sec. 409D. Award procedures.
"Sec. 409E. Scholarship amount.

"CHAPTER 9—ADVANCED PLACEMENT FEE PAYMENT PROGRAM

"Sec. 410A. Advanced placement fee payment program.

SUBPART 5—AMENDMENTS TO SUBPARTS 5 THROUGH 8 OF PART A

Sec. 418. HEP/CAMP.
Sec. 419. Byrd Honors Scholarship Program.
Sec. 420. Repeal of assistance to institutions of higher education.
Sec. 420A. Child care services.

PART B—FEDERAL FAMILY EDUCATION LOANS

Sec. 421. Name of programs.
Sec. 422. Guarantee authority contingent on timely rulemaking.
Sec. 423. Guaranty agency funding.
Sec. 424. Graduated repayment.
Sec. 425. Study abroad.
Sec. 426. Applicable interest rates.
Sec. 427. Amendments to section 428.
Sec. 428. Supplemental loan program.
Sec. 429. Plus loans.
Sec. 430. Consolidation loans.

Sec. 431. Disbursement rules.
Sec. 432. Unsubsidized loans; extended collection demonstration program.
Sec. 433. Administrative provisions.
Sec. 434. Student loan information.
Sec. 435. Definitions.
Sec. 436. Repayments by Secretary.
Sec. 437. Special rule; elimination of discounting.
Sec. 438. Student Loan Marketing Association facility financing.
Sec. 439. Student Loan Marketing Association financial safety and soundness.
PART C—FEDERAL WORK-STUDY PROGRAMS
Sec. 441. Amendments to part C of title IV.
PART D—FEDERAL DIRECT LOANS
Sec. 451. Establishment of Federal direct loan program.
"PART D—FEDERAL DIRECT LOAN DEMONSTRATION PROGRAM
"Sec. 451. Program and payment authority.
"Sec. 452. Payment rules.
"Sec. 453. Selection by the Secretary.
"Sec. 454. Agreement required.
"Sec. 455. Withdrawal and termination procedures.
"Sec. 456. Terms and conditions.
"Sec. 457. Loan collection functions under competitive procurement contracts.
"Sec. 458. Reports.
"Sec. 459. Schedule of regulatory activities by the Secretary.
"Sec. 459A. Authorization of appropriations.".
Sec. 452. Administrative expenses.
PART E—FEDERAL PERKINS LOANS
Sec. 461. Amendments to part E of title IV.
PART F—NEED ANALYSIS
Sec. 471. Revision of part F.
"PART F—NEED ANALYSIS
"Sec. 471. Amount of need.
"Sec. 472. Cost of attendance.
"Sec. 473. Family contribution.
"Sec. 474. Data elements used in determining expected family contribution.
"Sec. 475. Family contribution for dependent students.
"Sec. 476. Family contribution for independent students without dependent children.
"Sec. 477. Family contribution for independent students with dependent children.
"Sec. 478. Regulations; updated tables.
"Sec. 479. Simplified needs test.
"Sec. 479A. Discretion of student financial aid administrators.
"Sec. 479B. Disregard of student aid in other Federal programs.
"Sec. 479C. Native American students.
"Sec. 480. Definitions.
PART G—GENERAL PROVISIONS
Sec. 481. Definitions.
Sec. 482. Master calendar.
Sec. 483. Forms and regulations.
Sec. 484. Student eligibility.
Sec. 485. Statute of limitations.
Sec. 486. Information.
Sec. 487. Student loan data system.
Sec. 488. Training in financial aid and student support services.
Sec. 489. Program participation agreements.
Sec. 490. Quality assurance; identification numbers.
Sec. 491. Inter-program transfers.
Sec. 492. Administrative expenses.
Sec. 493. Criminal penalties; extent of liability.
Sec. 494. Advisory Committee on Student Financial Assistance.
Sec. 495. Performance based regulatory relief.
Sec. 496. Regional meetings and negotiated rulemaking.
PART H—PROGRAM INTEGRITY
Sec. 497. Establishment of new part H.
"PART H—PROGRAM INTEGRITY
"Sec. 494. State postsecondary review agency program.
"Sec. 495. State postsecondary review agency agreements.
"Sec. 496. Federal reimbursement of State postsecondary review agency costs.
"Sec. 497. Functions of State review agencies.
Sec. 497A. Definitions.
Sec. 497B. Effective dates.
PART I—CONFORMING AMENDMENTS
Sec. 499. Conforming amendments.
TITLE V—EDUCATOR RECRUITMENT, RETENTION, AND DEVELOPMENT
Sec. 501. Revision of title V.
"TITLE V—EDUCATOR RECRUITMENT, RETENTION, AND DEVELOPMENT
"Sec. 501. Statement of findings and purpose.
"Sec. 502. Authorization of appropriations.
"PART A—STATE AND LOCAL PROGRAMS FOR TEACHER EXCELLENCE
"Sec. 511. Authority and allocation of funds.
"Sec. 512. State application.
"Sec. 513. Local application and use of funds.
"Sec. 514. State uses of funds.
"Sec. 515. Institutions of higher education uses of funds.
"Sec. 516. Federal funds to supplement, not supplant regular nonfederal funds.
"Sec. 517. Coordination with other programs.
"PART B—TEACHER SCHOLARSHIPS AND FELLOWSHIPS
"SUBPART 1—PAUL DOUGLAS TEACHER CORPS SCHOLARSHIPS
"Sec. 521. Purpose.
"Sec. 522. Allocation among States.
"Sec. 523. Grant applications.
"Sec. 524. Amount and duration of and relation to other assistance.
"Sec. 525. Selection of Paul Douglas Teacher Corps scholars.
"Sec. 526. Scholarship conditions.
"Sec. 527. Scholarship repayment provisions.
"Sec. 528. Exceptions to repayment provisions.
"Sec. 529. Federal administration of State programs; judicial review.
"Sec. 530. Designation of shortage areas.
"SUBPART 2—CHRISTA MCAULIFFE FELLOWSHIP PROGRAM
"Sec. 531. Declaration of purpose; designation.
"Sec. 532. Use of funds for fellowships and administration.
"Sec. 533. Christa McAuliffe fellowships.
"Sec. 534. Selection of Christa McAuliffe teacher fellowships.
"Sec. 535. Evaluation of applications.
"Sec. 536. Fellowship repayment provisions.
"Sec. 537. Information dissemination.
"PART C—NATIONAL PROGRAMS
"SUBPART 1—NATIONAL MINI CORPS PROGRAM
"Sec. 541. National Mini Corps.
"SUBPART 2—NATIONAL TEACHER BOARD
"Sec. 546. National Board for Professional Teaching Standards.
"SUBPART 3—PARTNERSHIPS FOR INNOVATIVE TEACHER EDUCATION
"Sec. 551. Findings.
"Sec. 552. Purpose.
"Sec. 553. Program authority.
"Sec. 554. Applications.
"Sec. 555. Uses of funds.
"Sec. 556. Reservation of funds; cost sharing.
"Sec. 557. Definitions.
"SUBPART 4—TEACHER OPPORTUNITY CORPS
"Sec. 561. Purpose.
"Sec. 562. Definitions.
"Sec. 563. Allocation among States.
"Sec. 564. Agreements.
"Sec. 565. State grant applications.
"Sec. 566. General criteria for State grants.
"SUBPART 5—NATIONAL JOB BANK FOR TEACHER RECRUITMENT
"Sec. 571. Study.
"Sec. 572. National Teacher Job Bank demonstration.
"Sec. 573. Use of funds.
"Sec. 574. Definition.
"SUBPART 6—MIDCAREER TEACHER TRAINING FOR NONTRADITIONAL STUDENTS
"Sec. 581. Statement of purpose.
"Sec. 582. Selection of procedures.
"Sec. 583. Applications.
"Sec. 584. Amount of grants.
"Sec. 585. Reports and information.
"SUBPART 7—ALTERNATIVE ROUTES TO TEACHER CERTIFICATION AND LICENSURE
"Sec. 586. Short title.
"Sec. 587. Findings.
"Sec. 588. Purpose.
"Sec. 589. Allotments.
"Sec. 590. State applications.
"Sec. 591. Use of funds.
"Sec. 592. Coordination requirement.
"Sec. 593. Definition.
"SUBPART 8—TRAINING FOR TEACHERS OF DRUG-EXPOSED CHILDREN
"Sec. 594. Program authorized.
"SUBPART 9—TEACHER RECRUITMENT AND PLACEMENT
"Sec. 594A. Program authorized.
"Sec. 594B. Use of funds.
"Sec. 594C. Application.
"Sec. 594D. Federal share.
"SUBPART 10—PARTNERSHIPS FOR ENCOURAGING MINORITY STUDENTS TO BECOME TEACHERS
"Sec. 595A. Program authorized.
"Sec. 595B. Partnership agreement.
"Sec. 595C. Application.
TITLE VI—INTERNATIONAL EDUCATION PROGRAMS
Sec. 601. Revision of title VI.
"TITLE VI—INTERNATIONAL EDUCATION PROGRAMS
"PART A—INTERNATIONAL AND FOREIGN LANGUAGE STUDIES
"Sec. 601. Findings and purposes.
"Sec. 602. Graduate and undergraduate language and area centers.
"Sec. 603. Language resource centers.
"Sec. 604. Undergraduate international studies and foreign language programs.
"Sec. 605. Intensive summer language institutes.

"Sec. 606. Research; studies; annual report.
"Sec. 607. Periodicals and other research materials published outside the United States.
"Sec. 608. Selection of grant recipients.
"Sec. 609. Equitable distribution of funds.
"Sec. 610. Authorization of appropriations.
"PART B—BUSINESS AND INTERNATIONAL EDUCATION PROGRAMS
"Sec. 611. Findings and purposes.
"Sec. 612. Centers for International Business Education.
"Sec. 613. Joint venturing agreements.
"Sec. 614. Education and training programs.
"Sec. 615. Authorization of appropriations.
"PART C—GENERAL PROVISIONS
"Sec. 631. Definitions.
"Sec. 632. Preservation of pre-1992 programs.
"PART D—INSTITUTE FOR INTERNATIONAL PUBLIC POLICY
"Sec. 641. Establishment.
"Sec. 642. Academic year abroad program.
"Sec. 643. Masters degree in international relations.
"Sec. 644. Internships.
"Sec. 645. Board of visitors.
"Sec. 646. Program requirements.
"Sec. 647. Gifts and donations.
"Sec. 648. Authorization.
TITLE VII—CONSTRUCTION, RECONSTRUCTION, AND RENOVATION OF ACADEMIC FACILITIES
Sec. 701. Purposes.
Sec. 702. Authorization of appropriations.
Sec. 703. Revision of part A.
"PART A—GRANTS FOR THE CONSTRUCTION, RECONSTRUCTION, AND RENOVATION OF UNDERGRADUATE ACADEMIC FACILITIES
"Sec. 711. Grants.
Sec. 704. Consolidation of parts C and F and elimination of part G.
"PART C—LOANS FOR CONSTRUCTION, RECONSTRUCTION AND RENOVATION OF ACADEMIC, HOUSING, AND OTHER EDUCATIONAL FACILITIES
"Sec. 731. Federal assistance in the form of loans.
"Sec. 732. General provisions.
"Sec. 733. Apportionment.
"Sec. 734. Definitions.
Sec. 705. Amendment to part E.
Sec. 706. Historically Black College and University capital financing.
"PART F—HISTORICALLY BLACK COLLEGE AND UNIVERSITY CAPITAL FINANCING
"Sec. 761. Findings.
"Sec. 762. Definitions.
"Sec. 763. Federal insurance for bonds.
"Sec. 764. Limitations on Federal insurance for bonds issued by the designated bonding authority.
"Sec. 765. Authority of the Secretary.
"Sec. 766. HBCU Capital Financing Advisory Board.
"Sec. 767. Minority business enterprise utilization.
Sec. 707. Forgiveness of certain title VII loans.
Sec. 708. Repeal.
TITLE VIII—COOPERATIVE EDUCATION
Sec. 801. Authorization of appropriations; reservations.
Sec. 802. Grants for cooperative education.
TITLE IX—GRADUATE PROGRAMS
Sec. 901. Purpose; administrative provisions.
Sec. 902. Amendments to part A.
Sec. 903. Amendments to part B.
"PART B—POSTBACCALAUREATE OPPORTUNITY AND HARRIS FELLOWSHIP PROGRAMS
"SUBPART 1—POSTBACCALAUREATE OPPORTUNITY FELLOWSHIPS
"SUBPART 2—PATRICIA ROBERTS HARRIS GRADUATE FELLOWSHIP PROGRAM
"Sec. 926. Statement of purpose; designation of awards.
"Sec. 927. Program authorized.
"Sec. 928. Award of fellowships.
Sec. 904. Amendments to part C.
Sec. 905. Amendments to part D.
Sec. 906. Amendment to part E.
Sec. 907. Amendments to part F.
Sec. 908. Addition of new part; authorization of appropriations.
"PART G—GRANTS TO INSTITUTIONS TO ENCOURAGE MINORITIES TO ENTER THE HIGHER EDUCATION PROFESSORATE
"Sec. 971. Program authorized.
"Sec. 972. Designation of fellows.
"Sec. 973. Applications and awards.
"Sec. 974. Fellowships.
"Sec. 975. Teaching requirement.
"Sec. 976. Consequences of noncompliance.
"Sec. 977. Exceptions to repayment provisions.
"PART H—AUTHORIZATION OF APPROPRIATIONS
"Sec. 981. Authorization of appropriations.
TITLE X—POSTSECONDARY IMPROVEMENT PROGRAM
Sec. 1001. Amendments to part A.
Sec. 1002. Amendments to part B.
Sec. 1003. Amendment to part C.
"PART C—SPECIAL PROJECTS IN AREAS OF NATIONAL NEED
Sec. 1004. Women and Minorities Science and Engineering Outreach Demonstration Program.
"PART D—WOMEN AND MINORITIES SCIENCE AND ENGINEERING OUTREACH DEMONSTRATION PROGRAM
"Sec. 1071. Purpose.
"Sec. 1072. Program authorized.
"Sec. 1073. Eligible institutions.
"Sec. 1074. Amount, duration, and use of funds.
"Sec. 1075. Application.
"Sec. 1076. Evaluation.
"Sec. 1077. Federal share.
"Sec. 1078. Supplement/not supplant.
"Sec. 1079. Authorization of appropriations.
TITLE XI—STUDENT COMMUNITY SERVICE
Sec. 1101. Revision of title.
"PART A—HIGHER EDUCATION INNOVATIVE PROJECTS FOR COMMUNITY SERVICE
"Sec. 1101. Higher education innovative projects for community service.
"PART B—STUDENT LITERACY CORPS AND STUDENT MENTORING CORPS
"Sec. 1111. Purpose.
"Sec. 1112. Literacy corps program and mentoring corps program.
"Sec. 1113. Uses of funds.
"Sec. 1114. Applications.
"Sec. 1115. Technical assistance and coordination contract.
"Sec. 1116. Authorization of appropriations.
"Sec. 1117. Definition.
"PART C—INNOVATIVE PROJECTS FOR COMMUNITY SERVICES AND STUDENT FINANCIAL INDEPENDENCE
"Sec. 1121. Statement of purpose.
"Sec. 1122. Innovative projects for community services and student financial independence.
"Sec. 1123. Authorization of appropriations.
"PART D—COMMUNITY SERVICE-LEARNING
"Sec. 1131. Program authority.
"PART E—GRANTS FOR SEXUAL OFFENSES EDUCATION
"Sec. 1171. Grants for campus sexual offenses education.
"PART F—DWIGHT D. EISENHOWER LEADERSHIP PROGRAM
"Sec. 1181. Short title; establishment of program.
TITLE XII—GENERAL PROVISIONS
Sec. 1201. Definitions.
Sec. 1202. Antidiscrimination.
Sec. 1203. The National Advisory Committee on Accreditation and Institutional Eligibility.
Sec. 1204. Approval of accrediting agency or association.
Sec. 1205. Disclosure of foreign gifts and foreign ownership.
Sec. 1206. Admission of minority students.
TITLE XIII—INDIAN HIGHER EDUCATION PROGRAMS
PART A—TRIBALLY CONTROLLED COMMUNITY COLLEGES
Sec. 1301. Reauthorization of the Tribally Controlled Community Colleges Act.
"Sec. 403. Authorization of appropriations.
PART B—HIGHER EDUCATION TRIBAL GRANT AUTHORIZATION ACT
Sec. 1311. Short title.
Sec. 1312. Findings.
Sec. 1313. Program authority.
Sec. 1314. Qualification for grants to tribes.
Sec. 1315. Allocation of grant funds.
Sec. 1316. Limitations on use of funds.
Sec. 1317. Administrative provisions.
PART C—CRITICAL NEEDS FOR TRIBAL DEVELOPMENT ACT
Sec. 1321. Short title.
Sec. 1322. Definitions.
Sec. 1323. Service conditions permitted.
Sec. 1324. Critical area service agreements.
Sec. 1325. General provisions.
PART D—INSTITUTE OF AMERICAN INDIAN NATIVE CULTURE AND ARTS DEVELOPMENT
Sec. 1331. Institute of American Indian Native Culture and Arts development.
"Sec. 1519. Provision of facilities.
PART E—TRIBAL DEVELOPMENT STUDENT ASSISTANCE REVOLVING LOAN PROGRAM
Sec. 1341. Short title.
Sec. 1342. Findings; purposes.
Sec. 1343. Revolving fund.
Sec. 1344. Eligible recipients.
Sec. 1345. Terms of loans.
Sec. 1346. Service fulfillment and conditions; repayments; waivers.
Sec. 1347. Administration.
Sec. 1348. Authorization of appropriations.
TITLE XIV—MISCELLANEOUS
PART A—STUDIES
Sec. 1401. Data on nontraditional students.
Sec. 1402. Study of Federal benefit coordination.
Sec. 1403. National survey of factors associated with participation.

Sec. 1404. Evaluation of assistance guaranty programs.
Sec. 1405. Information on graduate education.
Sec. 1406. Study of the Center for International Education's staffing requirements.
Sec. 1407. Study of environmental hazards in institutions of higher education.
Sec. 1408. Study of civilian education training programs.
Sec. 1409. Amendments to General Education Provisions Act.
Sec. 1410. Training and technical assistance for school-based decisionmakers demonstration program.
Sec. 1411. Report on the use of Pell Grants by prisoners.

PART B—NATIONAL CLEARINGHOUSE FOR POSTSECONDARY EDUCATION MATERIALS

Sec. 1421. National Clearinghouse for Postsecondary Education Materials.

PART C—NATIONAL CENTER FOR THE WORKPLACE

Sec. 1421. Purpose; designation.
Sec. 1422. Establishment.
Sec. 1423. Use of funds.
Sec. 1424. Board of advisors.
Sec. 1425. Gifts and donations.
Sec. 1426. Authorization.

The CHAIRMAN. Are there any amendments to section 1?

If not, the Clerk will designate section 2.

The text of section 2 is as follows:

SEC. 2. GENERAL EFFECTIVE DATE.

Except as otherwise provided in this Act, the amendments made by this Act shall take effect on October 1, 1992.

The CHAIRMAN. Are there any amendments to section 2?

If not, the Clerk will designate title I.

The text of title I is as follows:

TITLE I—PARTNERSHIPS FOR EDUCATIONAL EXCELLENCE

SEC. 101. REVISION OF TITLE I.

Title I of the Act is amended to read as follows:

"TITLE I—PARTNERSHIPS FOR EDUCATIONAL EXCELLENCE

"SEC. 100. AUTHORIZATION OF APPROPRIATIONS.

"(a) URBAN COMMUNITY SERVICE.—There are authorized to be appropriated to carry out part A of this title, $25,000,000 for fiscal year 1993, and such sums as may be necessary for the 4 succeeding fiscal years.

"(b) URBAN AND RURAL COLLEGE, UNIVERSITY, AND SCHOOL PARTNERSHIPS.—There are authorized to be appropriated to carry out part B of this title, $25,000,000 for fiscal year 1993, and such sums as may be necessary for the 4 succeeding fiscal years.

"(c) ARTICULATION AGREEMENTS.—There are authorized to be appropriated to carry out part D of this title, $50,000,000 for fiscal year 1993, and such sums as may be necessary for the 4 succeeding fiscal years.

"(d) ACCESS AND EQUITY TO EDUCATION FOR ALL AMERICANS THROUGH TELECOMMUNICATIONS.—There are authorized to be appropriated to carry out part E of this title, for fiscal year 1993 $10,000,000 and such sums as may be necessary for the 4 succeeding fiscal years.

"PART A—URBAN COMMUNITY SERVICE

"SEC. 101. STATEMENT OF PURPOSE.

"It is the purpose of this part to provide incentives to urban institutions (including academic, private, and civic bodies) to work together to devise and implement solutions to the most pressing and severe problems in their communities.

"SEC. 102. APPLICATION FOR URBAN COMMUNITY SERVICE GRANTS.

"(a) APPLICATION AND PLAN.—Any institution seeking assistance under this part shall submit to the Secretary an application at such time, in such form, and containing or accompanied by such information and assurances as the Secretary may require by regulation. Such application shall contain a plan agreed to by the members of a consortium that includes (1) a public or private 4 year institution (and, where possible and appropriate, a community college) in partnership with (2) an urban school system, a local government, a private business, or a nonprofit institution. The Secretary may waive this consortium requirement for those applicants who can demonstrate that they have devised an integrated and coordinated plan which meets the purpose of this part.

"(b) PRIORITY IN SELECTION OF APPLICATIONS.—The Secretary shall give priority to those applications that—

"(1) include plans agreed to by a consortium composed of several members from the categories described in subsection (a); and

"(2) propose to conduct joint projects supported by other local, State, and Federal programs.

"(c) SELECTION PROCEDURES.—The Secretary shall, by regulation, develop a formal procedure for the submission of applications and publish in the Federal Register an announcement with respect to that procedure and the availability of funds.

"SEC. 103. ALLOWABLE ACTIVITIES.

"(a) IN GENERAL.—Funds made available under this part shall be used to support planning, applied research, training, resource exchanges or technology transfers, the delivery of services, or other activities the purpose of which is to design and implement programs to assist urban communities to meet and address their most pressing problems.

"(b) AUTHORIZED ACTIVITIES.—Activities conducted with funds made available under this part may include research on resource exchanges, technology transfer, technical training, the delivery of services, and technical assistance in the following areas—

"(1) urban poverty and its alleviation;

"(2) health care, including its delivery and access;

"(3) under-performing school systems and students;

"(4) problems faced by the elderly in urban settings;

"(5) crime: prevention and alternative interventions;

"(6) urban housing;

"(7) urban infrastructure;

"(8) economic development; and

"(9) other problem areas which participants in the agreement required by section 102 agree are of high priority in the urban area covered by such agreement.

"PART B—URBAN AND RURAL COLLEGE, UNIVERSITY, AND SCHOOL PARTNERSHIPS

"SEC. 121. PURPOSE.

"It is the purpose of this part to encourage partnerships between urban or rural institutions of higher education or consortia of such institutions and secondary schools and school systems serving low-income and educationally disadvantaged urban or rural students to support programs that may assist in improving the retention and graduation rates of such secondary schools, improve the academic skills of their public and private nonprofit secondary school students, increase their opportunities to continue their education beyond the secondary level, and to improve their prospects for productive employment.

"SEC. 122. AGREEMENT.

"(a) AGREEMENT.—To be eligible for a grant under this part, an urban or rural institution of higher education or consortium must enter into a written partnership agreement with a local educational agency. Such partnership may include businesses, labor organizations, professional associations, community-based organizations or other public or private agencies or organizations.

"(b) CONTENTS OF AGREEMENT.—The agreement required under this section 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 to be contributed by each participant.

"SEC. 123. GRANTS.

"(a) IN GENERAL.—The Secretary may use funds appropriated for this part to make grants to university-school partnerships. The grants may be used to support partnership activities which are directly related to the purposes set forth in section 121.

"(b) AMOUNT AND USE OF GRANTS.—From such funds, the Secretary shall make grants of no less than $250,000 and no more than $1,000,000.

"(c) PREFERENCES.—In making grants under this part, the Secretary shall give a preference to—

"(1) programs which will serve predominantly low-income neighborhoods;

"(2) partnerships which will run programs during the regular school year and during the summer;

"(3) programs which will serve educationally disadvantaged students, potential dropouts, pregnant, adolescent and teen-aged parents or children whose parents or parent are migratory agriculture workers or migratory fishermen; and

"(4) programs designed to encourage women and minorities who are underrepresented in the fields of science and mathematics to pursue these fields.

"(d) MAINTENANCE OF EFFORT.—Any local educational agency or institution of higher education participating in an agreement under this part shall not reduce its combined fiscal effort per student or its aggregate expenditures on education.

"SEC. 124. GRANT APPLICATION.

"(a) APPLICATION REQUIRED.—A partnership desiring to receive a grant under this part shall submit an application to the Secretary, in such form and providing such information as the Secretary, by regulation, shall require.

"(b) CONTENTS OF APPLICATION.—The application shall include—

"(1) the partnership agreement described in section 122;

"(2) a listing of all the schools to be involved in the program;

"(3) a description of the programs to be developed and operated by the partnership; and

"(4) assurances to the Secretary—

"(A) that the partnership will establish a governing body including one representative from each participant in the partnership;

"(B) that Federal funds will provide no more than 70 percent of the cost of the project in the first year; 60 percent of such costs in the second year, and 50 percent of such costs in the third and any subsequent year;

"(C) that any local educational agency or institution of higher education participating in this partnership shall utilize any Federal funds it shall receive from a grant under this part to supplement, and, to the extent practicable, increase the resources that would, in the absence of such Federal funds, be made available from non-Federal sources for the education of students described in this part; and

"(D) that in no case shall funds under such a grant be used to supplant non-Federal funds already available.

"PART C—ADMINISTRATIVE PROVISIONS FOR PARTS A AND B

"SEC. 131. PEER REVIEW.

"The Secretary shall designate a peer review panel to review applications submitted under parts A and B and make recommendations for funding to the Secretary. In selecting the peer review panel, the Secretary may consult with other appropriate Cabinet-level officials and with non-Federal organizations, to ensure that the panel will be geographically balanced and be composed of representatives from public and private institutions of higher education, labor, business, State and local government, who have expertise in urban community service.

"SEC. 132. DISBURSEMENT OF FUNDS.

"(a) MULTIYEAR AVAILABILITY.—Subject to the availability of appropriations, grants under part A may be made on a multiyear basis, except that no institution, individually or as a participant in a combination of such institutions, may receive a grant for more than 5 years.

"(b) DISTRIBUTION REQUIREMENT.—The Secretary shall award grants under parts A and B in such manner as to achieve widespread and equitable utilization of the grants in all parts of the nation.

"(c) MATCHING REQUIREMENT.—An applicant under part A of this title and the local governments associated with its application shall contribute to the conduct of the program supported by the grant an amount from non-Federal funds equal to at least one-fourth of the amount of the grant, which contribution may be in cash or in services, supplies or equipment.

"(d) WAIVER OF MATCHING REQUIREMENT.—The Secretary may waive the requirements of subsection (c) of this section with respect to an eligible institution that demonstrates a unique hardship that precludes its compliance with that requirement.

"SEC. 133. NATIONAL NETWORK.

"(a) PROGRAM AUTHORITY.—The Secretary may establish a national network among urban and rural grant institutions, so that the results of individual projects funded under parts A and B can be generalized, disseminated, replicated, and applied throughout the Nation.

"(b) FUNDING.—From any funds appropriated for carrying out parts A and B, the Secretary may set aside not to exceed 5 percent, or $500,000 in any fiscal year, whichever is less, for the purposes of carrying out subsection (a) of this section.

"SEC. 134. DEFINITIONS.

"(a) DEFINITIONS.—As used in parts A and B—

"(1) The term 'eligible institution' has the meaning given such term by the first sentence of section 1201(a) of this Act.

"(2) The term 'urban area' means a metropolitan statistical area having a population of not less than 400,000, or two contiguous metropolitan statistical areas having a population of not less than 400,000, or, in any State which does not have a metropolitan statistical area which has such a population, the entity of the State having an agreement under section 1203, or, if no such entity has an agreement, the Secretary, shall designate one urban area for the purposes of this part.

"(3) The term 'urban institution of higher education' means a nonprofit municipal university, established by the governing body of the city in which it is located, and operating as of the date of enactment of this part under that authority, or an institution of higher education, or a consortium of such institutions any one of which meets all of the requirements of this paragraph, which—

"(A) is located in an urban area,

"(B) draws a substantial portion of its undergraduate students from the urban area in which it is located, from the urban area in which it is located or contiguous areas,

"(C) carries out programs to make postsecondary educational opportunities more accessible to residents of such urban area, or contiguous areas,

"(D) has the present capacity to provide resources responsive to the needs and priorities of such urban area, or contiguous areas,

"(E) offers a range of professional, technical, or graduate programs sufficient to sustain its capacity to provide such resources, and

"(F) has demonstrated and sustained a sense of responsibility to such urban area and contiguous areas and its people.

"(b) PUBLICATION REQUIRED.—

"(1) The Secretary shall, not later than 6 months following the enactment of this title, publish in the Federal Register a preliminary list of all public and private nonprofit institutions of higher education which shall meet the qualifications prescribed in subparagraphs (A) through (E) of subsection (a)(3).

"(2) The Secretary shall, annually, provide an opportunity for any unlisted institution to apply to be added to this list, and shall publish such additions in the Federal Register.

"PART D—ARTICULATION AGREEMENTS

"SEC. 141. FINDINGS.

"The Congress finds that—

"(1) because more than one-half of all first-time first-year students attending postsecondary institutions attend community or junior colleges, and because almost one-half of minority students enrolled in higher education attend 2-year institutions, community and junior colleges represent a substantial and an important educational resource;

"(2) declining participation rates for low-income students and minorities at institutions of higher education is of growing concern to the higher education community and Congress; and

"(3) there is growing awareness of the need to assist low-income, minority and other nontraditional students in bridging the gap between 2-year to 4-year institutions, enabling them to reach their individual potential, as well as contribute to the larger society.

"SEC. 142. PURPOSE.

"The purpose of this part is to improve the educational opportunities of this Nation's postsecondary students by creating comprehensive articulation agreements and planning between partnerships of 2-year and 4-year institutions of higher education.

"SEC. 143. AUTHORIZATION OF GRANTS.

"(a) ASSISTANCE FOR ARTICULATION PARTNERSHIPS.—From amounts appropriated for this part, the Secretary shall make grants to States to enable States to make awards, either on a competitive basis or on the basis of a formula determined by the State, to articulation partnerships between—

"(1) a qualified 2-year institution; and

"(2) a qualified 4-year institution.

"(b) QUALIFIED INSTITUTIONS.—For purposes of subsection (a)—

"(1) a qualified 2-year institution is an institution of higher education (as determined under section 481(a)) that is an eligible institution under section 435(a) and that—

"(A) is a nonprofit institution that offers a 2-year associate degree or a 2-year certificate program; or

"(B) is a proprietary institution that offers a 2-year associate degree program; and

"(2) a qualified 4-year institution is an institution of higher education (as determined under section 481(a)) that is an eligible institution under section 435(a) and that offers a baccalaureate degree program.

"(c) ALLOCATION AND STATE GRANTS.—

"(1) FORMULA ALLOCATION.—In any fiscal year for which the amount made available under section 100 to carry out the provisions of this part equals or exceeds $50,000,000, the Secretary shall allot an amount that bears the same ratio to the amount appropriated under section 100(c) for such fiscal year as the total amount received under title IV by students attending institutions of higher education in that State for such fiscal year bears to the total amount received under title IV by all students for such fiscal year, based on the most recent year for which such data are available.

"(2) COMPETITIVE GRANTS.—In any fiscal year for which the amount made available under section 100 to carry out the provisions of this part do not equal or exceed $50,000,000, the Secretary is authorized, in accordance with the provisions of this part, to make grants to States to carry out articulation agreements under sections 145 and 146.

"SEC. 144. STATE APPLICATION.

"Each State that desires to receive a grant under this part shall submit an application to the Secretary in such form and containing or accompanied by such information as the Secretary may require. Such application shall—

"(1) after consultation with the State agencies responsible for supervision of community colleges, technical institutes, or other 2-year postsecondary institutions, designate a sole State agency as the State agency responsible for the administration and supervision of activities carried out with assistance under this part;

"(2) describe how funds will be allocated in a manner consistent with section 145;

"(3) contain assurances that the State will comply with the requirements of this part;

"(4) provide for an annual submission of data concerning the use of funds and students served with assistance under this part; and

"(5) provide that the State will keep such records and provide such information to the Secretary as may be required for purposes of financial audits and program evaluation.

"SEC. 145. LOCAL APPLICATIONS.

"Any articulation partnership comprised of qualified institutions that desires to receive a grant from a State under this part shall submit an application to the State in such form and containing or accompanied by such information as the State may require and shall—

"(1) include in the articulation agreement—

"(A) assurances that academic credit earned at the qualified institution described in section 143(b)(1) will be transferable to the qualified institution or institutions as described in section 143(b)(2);

"(B) development of articulation agreement programs and services appropriate to the needs of the partnership participants;

"(C) activities that facilitate the development of programs and services appropriate to the needs of the students attending courses covered by the articulation agreement;

"(D) inservice training for faculty designed to implement effective articulation agreements;

"(E) counseling services; and

"(F) information concerning programs contained in the articulation agreement;

"(2) include assurances that the articulation partnership has the qualified personnel required—

"(A) to develop, administer, and implement the program required by this part, and

"(B) to provide special training necessary to prepare staff for the program; and

"(3) include a plan of operation for the program which includes—

"(A) a description of the program goals,

"(B) a description of the uses of funds as required by paragraph (2),

"(C) a description of the activities and services which will be provided under the program (including training and preparation of staff), and

"(D) a description of the subject areas to be included in the articulation agreement.

"SEC. 146. ARTICULATION AGREEMENT.

"(a) LENGTH OF GRANT.—Each recipient of a grant from a State shall use the amounts provided under the grant to develop and operate articulation agreements for 6 years.

"(b) USE OF FUNDS.—Funds provided to an articulation partnership under this part may be used—

"(1) to perform any activity or program required by section 145;

"(2) as part of the program's planning activities, to acquire technical assistance from Federal, State, or local entities that have successfully designed, established, and operated articulation programs;

"(3) to provide workshops with students and teachers, counseling for students to continue their education to a bachelors degree, orientation visits at institutions participating in the consortia; and

"(4) to provide outreach to potential students.

"SEC. 147. STATE ADMINISTRATION.

"A State may reserve not more than 3 percent of the amounts available under this title for any fiscal year for State administrative costs including monitoring and technical assistance.

"SEC. 148. PRIORITY.

"The State shall give priority to grant applications for programs which—

"(1) encourage teacher education,

"(2) have, as one of the partners participating in an articulation agreement, an entity that meets the requirements of section 344(b) of the Carl D. Perkins Vocational and Applied Technology Education Act,

"(3) contribute their own institutional resources,

"(4) are not subject to a default reduction agreement under section 428F,

"(5) encourage technology education, or

"(6) encourage articulation in subject areas of national importance as determined by the Secretary.

"SEC. 149. REPORTS.

"(a) STATE REPORTS.—Each State shall submit to the Secretary an annual report on the operation of the program under this part in such State during the preceding year. Such report shall include such information as the Secretary may require by regulation.

"(b) EVALUATION AND DISSEMINATION.—The Secretary shall, on the basis of the reports submitted under subsection (a), evaluate all or a sample of the programs conducted under this part for the purposes of (1) determining the success or failure of such programs in increasing access and entry of students from 2-year institutions to 4-year institutions, and (2) identifying the most successful programs under this part and the causes for such success. The Secretary shall, not later than January 31, 1996, submit a report to the Congress on the results of such evaluation. The Secretary shall disseminate the findings made pursuant to clause (2) through appropriate agencies and organizations. The Secretary may reserve up to 3 percent of the amount appropriated under section 100 to carry out this subsection.

"PART E—ACCESS AND EQUITY TO EDUCATION FOR ALL AMERICANS THROUGH TELECOMMUNICATIONS

"SEC. 171. ESTABLISHMENT OF PROGRAM.

"(a) GENERAL AUTHORITY.—The Secretary is authorized in accordance with provisions of this part to make grants to eligible entities for the Federal share of the cost of telecommunications services to promote access and equity to education.

"(b) ELIGIBLE APPLICANTS.—In order to be eligible for a grant under this part eligible applicants shall consist of a public broadcasting entity (or a consortium of such entities) and an institution of higher education (or a consortium of such entities) and may also include a State, a local unit of government, or a public or private nonprofit organization.

"(c) APPLICATION.—Each eligible applicant which desires 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. Each such application shall—

"(1) describe education telecommunications services to be supported with the grant;

"(2) describe the administrative and management structure supporting the activities funded by the grant;

"(3) provide that the applicant shall match each dollar of funding received under this part on a one-to-one basis;

"(4) provide assurances that the financial interests of the United States in the telecommunications equipment, software and other facilities shall be protected for the use of the life of such facilities;

"(5) describe the manner in which nontraditional postsecondary education students will benefit in the services supported;

"(6) describe the manner in which special services including captioned films, television, descriptive video and education media for handicapped individuals shall be supported; and

"(7) provide evidence that each dollar received under this part shall be matched by funds from other, non-Federal sources.

"(d) ACTIVITIES SUPPORTED.—Grants under this part shall support one or more of the following activities—

"(1) acquisition of site equipment to provide the technical ability to receive diverse education services at school, campus, and work site locations;

"(2) satellite, fiberoptic and other distribution systems and for local broadcast or other local distribution capability;

"(3) preservice or inservice education and training for K–12 teachers through interactive television conferencing;

"(4) preparation of telecommunications programs and software which support national, regional, or statewide efforts to provide teaching and learning materials not otherwise available for local use; and

"(5) a loan service of captioned films, descriptive video and educational media for the purpose of making such materials available, in accordance with regulations, in the United States for nonprofit purposes to individuals with disabilities, parents of individuals with disabilities, and other individuals directly involved in activities for the advancement of individuals with disabilities, including for the purpose of addressing problems of illiteracy among individuals with disabilities.

"(e) APPROVAL OF APPLICATIONS.—(1) The Secretary shall, in approving applications under this part, give priority to applications which—

"(A) include support for services to make captioned films, descriptive video and educational media available to individuals with disabilities who otherwise lack access to such educational materials;

"(B) will provide, directly or indirectly, services to a significant number of postsecondary institutions;

"(C) improve access to creditworthy telecommunications coursework to individuals otherwise denied such opportunity;

"(D) will be available in the multistate area;

"(E) include evidence of significant business support; or

"(F) includes matching funds, exceeding the minimum amount required under this part.

"(2) In approving applications under this part the Secretary shall insure equitable geographic distribution of grant awards.

"(f) DEFINITION.—The term 'Public Broadcasting Entity' has the same meaning given that term in section 397 of the Communications Act of 1934.

"(g) REPORT.—Each recipient of a grant under this part shall submit a report including a description of activities supported, a description of the population served, an assessment of the ability of private sector entities to continue the support of the activities in the absence of Federal funding and shall submit such reports to the Secretary no later than 30 days after the conclusion of the grant period. The Secretary shall select reports received under this subsection appropriate for dissemination to the education community and shall make such reports available through the National Diffusion Network."

The CHAIRMAN. Are there any amendments to title I?

AMENDMENT OFFERED BY MR. DICKS

Mr. DICKS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DICKS: Page 31, line 13, strike "and" and after such line insert the following new paragraph (and redesignate the succeeding paragraph accordingly):

"(4) to develop agreements with local educational agencies for vocational course equivalency approval procedures for purposes of satisfying entrance requirements to qualified institutions; and

Mr. DICKS. Mr. Chairman, I rise today to offer an amendment to the articulation agreement section of H.R. 4471.

My amendment will allow the members of an articulation partnership created under title I, part D, to develop

procedures to ensure that vocational courses meet core academic course standards for purposes of college admissions requirements. The articulation partnership is an agreement between 2-year and 4-year institutions that seem to ease the transition between secondary and postsecondary schools.

The 2-year and 4-year institutions that are members of a consortium under this part of this act would be able to enter into an agreement with a local education agency to develop equivalency approval procedures for vocational courses. Once these procedures are established, vocational courses meeting such core academic standards would then be considered as equivalent for the purposes of satisfying entrance requirements to college.

This amendment is an important educational reform effort, being led all across the country through the restructuring of vocational-technical education. My amendment will increase the coordinated effort to integrate academic and vocational instruction by providing for equivalency between vocational and academic curricula.

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from Michigan, chairman of the committee, and I appreciate very much his leadership in the whole area of education and higher education.

Mr. FORD of Michigan. Mr. Chairman, the majority has examined the gentleman's amendment, and we have worked with him and his staff. I compliment him on his persistence in following this up. It is a very good amendment.

It is consistent with what we would like to see done. And for the majority, we would accept the gentleman's amendment.

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Chairman, since the gentleman is amending the articulation program in title I, which I authored, I find his amendment very acceptable and I think it adds to the articulation agreement.

Mr. DICKS. Mr. Chairman, I rise today to offer an amendment to the articulation agreement section of H.R. 4471.

My amendment will allow the members of an articulation partnership created under title I, part D, to develop procedures to ensure that vocational courses meet core academic course standards for purposes of college admissions requirements. The articulation partnership is an agreement between 2-year and 4-year institutions that seeks to ease the transition between secondary and post-secondary schools.

Two-year and four-year institutions that are members of a consortium under this part of this act would be able to enter into an agreement with a local education agency to develop equivalency approval procedures for vocational courses. Once these procedures are established, vocational courses meeting such core academic standards would then be considered as equivalent for the purposes of satisfying entrance requirements to college.

This amendment is an important educational reform effort, being led all across the country through the restructuring of vocational-technical education. My amendment will increase the coordinated effort to integrate academic and vocational instruction by providing for equivalency between vocational and academic curricula.

If vocational courses can be structured to meet core academic requirements which are used as the basis for college admissions, then more vocational students would have the option of entering college and continuing their education.

It is important to note that my amendment requires no additional authorization of funds. It creates an allowable use of funds from within the $50 million authorization for part D of title I.

Recently in my home State of Washington, legislation was passed to begin this project at the local level. I want to thank State Representative Randy Dorn, who sponsored this legislation along with Tom and Kathleen Lopp of the Washington Vocational Association and the American Vocational Association. I understand that Chairman FORD, Mr. COLEMAN, and Mr. GOODLING, the ranking committee member have agreed to accept this amendment, and I want to thank their staff, Diane Stark and Jo-Marie St. Martin for their work on this provision.

Since the impetus for this restructuring must come from the higher education community, a new atmosphere of cooperation between the secondary and postsecondary systems should evolve—and that is exactly what is now happening in Washington State. This legislation allows another path to higher education for students while meeting all entrance requirements. The result will be more students seeking advancement through higher education.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. DICKS].

The amendment was agreed to.

The CHAIRMAN. Are there any further amendments to title I?

If not, the Clerk will designate title II.

The text of title II is as follows:

TITLE II—ACADEMIC LIBRARY AND INFORMATION TECHNOLOGY ENHANCEMENT

SEC. 201. REVISION OF TITLE II.

Title II of the Act is amended to read as follows:

"TITLE II—ACADEMIC LIBRARIES IN AN ELECTRONIC NETWORKED ENVIRONMENT

"SEC. 201. PURPOSE; AUTHORIZATION.

"(a) PURPOSE.—The Secretary shall carry out a program to assist—

"(1) college and university libraries in acquiring technological equipment and in conducting research in information technology in accordance with part A;

"(2) in the education and training of persons in library and information science and to encourage research and development relating to improvement of libraries (including the promotion of economical and effective information delivery, cooperative efforts, and developmental projects) in accordance with part B;

"(3) the Nation's major research libraries, in maintaining and strengthening their collections, and in making information resources available to other libraries whose users have need for research materials in accordance with part C; and

"(4) historically black colleges and universities with programs in library and information sciences to train and educate African Americans and other underrepresented racial, national origin, and ethnic minorities in such programs in accordance with part D.

"(b) AUTHORIZATION.—(1) 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 each of the 4 succeeding fiscal years.

"(2) There are authorized to be appropriated to carry out part B $25,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(3) There are authorized to be appropriated to carry out part C $25,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(4) There are authorized to be appropriated to carry out part D $25,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"SEC. 202. NOTIFICATION OF STATE AGENCY.

"Each institution of higher education which receives a grant under this title shall annually inform the State agency designated pursuant to section 1203 of its activities under this title.

"SEC. 203. ADMINISTRATION.

"Programs under this title shall be administered in the Department by appropriate experts in library technology, library education, and related fields.

"PART A—COLLEGE LIBRARY TECHNOLOGY AND COOPERATION GRANTS

"SEC. 211. GRANTS FOR TECHNOLOGY, NETWORKING, AND OTHER PURPOSES.

"(a) AUTHORIZATION.—The Secretary is authorized to make grants for technological equipment, networking, and other special purposes to—

"(1) institutions of higher education which demonstrate a need for special assistance for the planning, development, acquisition, maintenance, or upgrading of technological equipment necessary to organize, access, or utilize materials in electronic formats and to participate in networks for the accessing and sharing of library and information resources;

"(2) combinations of higher education institutions which demonstrate a need for special assistance in establishing and strengthening joint-use library facilities, resources, or equipment for the accessing and sharing of library and information resources;

"(3) other public and private nonprofit organizations which provide library and information services to institutions of higher education on a formal, cooperative basis for the purpose of establishing, developing, or expanding programs or projects that improve their services to institutions of higher education; and

"(4) institutions of higher education conducting research or demonstration projects that improve information services to meet special national or regional needs by utiliz-

ing technology to enhance library or information services such as via the National Research and Education Network.

"(b) AWARDS REQUIREMENTS.—From funds appropriated for this part, the Secretary shall make competitive awards to institutions or combinations of institutions in each of the categories described in paragraphs (1) through (4) of subsection (a). The minimum award shall be $25,000 and may be expended over a 3-year period.

"(c) GRANTS AMOUNT.—For grants under section 211(a)(1) the maximum award per institution shall be $35,000. The Secretary shall give priority under section 211(a)(1) to projects which assist those developing institutions seeking to link one or more institutions to resource sharing networks.

"(d) GRANTS CRITERIA.—A grant under this section may be made only if the application (whether by an individual institution or a combination of institutions) is approved by the Secretary on the basis of criteria prescribed in regulations and provides satisfactory assurance that the applicant will expend during the 3-year period for which the grant is sought (from funds other than funds received under this title), for the same purpose as such grant, an amount from such other sources equal to not less than one-third of such grant.

"PART B—LIBRARY EDUCATION, RESEARCH, AND DEVELOPMENT

"SEC. 221. GRANTS AUTHORIZED.

"From the amounts appropriated for this part for any fiscal year, the Secretary shall make grants in accordance with sections 222 and 223. Of such amount, two-thirds shall be available for the purpose of section 222 and one-third shall be available for the purpose of section 223.

"SEC. 222. LIBRARY EDUCATION AND HUMAN RESOURCE DEVELOPMENT.

"(a) PURPOSE AND GRANT CRITERIA.—The Secretary is authorized to make grants to, and contract with, institutions of higher education and library organizations or agencies to assist them in educating and training persons in library and information science, particularly in areas of critical needs, such as recruitment and retention of minorities. Such grants or contracts may be used by such institutions, library organizations, or agencies—

"(1) to assist in covering the cost of courses of study or staff development (including short term or regular session institutes),

"(2) to establish and maintain fellowships or traineeships with stipends (including allowances for travel, subsistence, and other expenses) for fellows who demonstrate need and who are working toward a graduate degree and their dependents, not in excess of such maximum amounts as may be determined by the Secretary, and

"(3) to establish, develop, or expand programs of library and information science, including new techniques of information transfer and communication technology.

"(b) ADDITIONAL REQUIREMENTS.—Not less than 50 percent of the grants made under this section shall be for the purpose of establishing and maintaining fellowships or traineeships under subsection (a)(2).

"SEC. 223. RESEARCH AND DEMONSTRATION.

"The Secretary is authorized to make grants to, and contract with, institutions of higher education and other public and private agencies, institutions, and organizations for research and development projects related to the improvement of libraries, education in library and information science, the enhancement of library services through effective and efficient use of new technologies, and for the dissemination of information derived from such projects.

"SEC. 224. CONSULTATION REQUIREMENTS.

"The Secretary shall consult with the appropriate library and information science professional bodies in the determination of critical needs under section 222 and in the determination of priorities under section 223.

"PART C—IMPROVING ACCESS TO RESEARCH LIBRARY RESOURCES

"SEC. 231. RESEARCH LIBRARY RESOURCES.

"(a) PURPOSE AND DEFINITIONS.—(1) From the amount appropriated for this part, the Secretary shall make grants to institutions with major research libraries.

"(2) For the purposes of this part, the term 'major research library' means a public or private nonprofit institution (including the library resources of an institution of higher education), an independent research library, or a State or other public library, having a library collection which is available to qualified users and which—

"(A) makes a significant contribution to higher education and research;

"(B) is broadly based and is recognized as having national or international significance for scholarly research;

"(C) is of a unique nature, and contains material not widely available; and

"(D) is in substantial demand by researchers and scholars not connected with that institution.

"(b) ELIGIBILITY.—In determining eligibility for assistance under this part, the Secretary shall permit institutions that do not otherwise qualify to provide additional information or documents to demonstrate the national or international significance for scholarly research of the particular collection described in the grant proposal.

"SEC. 232. GEOGRAPHICAL DISTRIBUTION OF GRANTS.

"In making grants under this part, the Secretary shall endeavor to achieve broad and equitable geographical distribution throughout the Nation.

"PART D—STRENGTHENING LIBRARY AND INFORMATION SCIENCE PROGRAMS AND LIBRARIES IN HISTORICALLY BLACK COLLEGES AND UNIVERSITIES

"SEC. 241. STRENGTHENING LIBRARY AND INFORMATION SCIENCE PROGRAMS AND LIBRARIES IN HISTORICALLY BLACK COLLEGES AND UNIVERSITIES.

"(a) IN GENERAL.—(1) The Secretary is authorized (A) to make grants to, and contract with, historically black colleges and universities to assist them in strengthening their library and information science programs and library resources, and (B) to make grants to, and contract with, historically black colleges and universities and library organizations or agencies which have nationally approved programs in library and information science to assist them in education and training of African Americans and other underrepresented racial, national origin, and ethnic minorities, particularly in areas of critical needs of library and information science.

"(2) Such grants or contracts may be used by such institutions, library organizations, or agencies—

"(A) to establish, develop, or strengthen libraries and library and information science programs, including new techniques of information transfer and communication technology,

"(B) to assist in covering the cost of courses of study or staff development (including short-term or regular session institutes), and

"(C) to establish and maintain fellowships or traineeships with stipends (including allowances for travel, subsistence, and other expenses) for fellows who demonstrate need and who are working toward a graduate degree and their dependents, not in excess of such maximum amounts as may be determined by the Secretary.

"(b) TRAINEESHIPS.—Not less than 50 percent of the grants made under this section shall be for the purpose of establishing and maintaining fellowships or traineeships under subsection (a)(2).

"PART E—FUNDING PROHIBITION

"SEC. 251. FUNDING PROHIBITION.

"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.".

The CHAIRMAN. Are there amendments to title II?

If not, the Clerk will designate title III.

The text of title III follows:

TITLE III—INSTITUTIONAL AID

SEC. 301. FINDINGS.

Section 301(a)(1) of the Act is amended to read as follows:

"(1) there are a significant number of institutions of higher education serving high percentages of minority students and students from low-income backgrounds, that face problems that threaten their ability to survive;".

SEC. 302. AMENDMENTS TO PART A.

(a) GRANTS AWARDS.—Section 311(b) of the Act is amended to read as follows:

"(b) GRANTS AWARDED; ALLOWABLE ACTIVITIES.—From the sums available for this part under section 360(a)(1), the Secretary may award grants to any eligible institution with an application approved under section 351 in order to assist such an institution to plan, develop, or implement activities that promise to strengthen the institution, including—

"(1) faculty development;

"(2) funds and administrative management;

"(3) development and improvement of academic programs;

"(4) acquisition of equipment for use in strengthening funds management and academic programs;

"(5) joint use of facilities such as libraries and laboratories; and

"(6) student services.".

(b) ELIGIBLE INSTITUTIONS.—Section 312(b) of the Act is amended—

(1) in paragraph (1)—

(A) by inserting "and" after the semicolon at the end of subparagraph (D);

(B) by striking subparagraph (E);

(C) by redesignating subparagraph (F) as subparagraph (E); and

(D) by inserting "and" after the semicolon at the end of paragraph (1);

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

(3) by striking paragraphs (3), (4), and (5).

(c) ENROLLMENT OF NEEDY STUDENTS.—Section 312(c)(2) of the Act is amended by striking "second preceding fiscal year" and in-

serting "second fiscal year preceding the fiscal year for which the determination is made".

(d) AWARD LIMITATIONS.—Subsections (a) and (b) of section 313 of the Act are amended to read as follows:

"(a) AWARD PERIOD.—The Secretary may award a grant to an eligible institution under this part for not to exceed 5 years.

"(b) PROHIBITION.—An eligible institution that is awarded a grant under subsection (a) shall not be eligible to receive a grant under this part during the 5 years immediately following the period that it received such a grant.".

(e) GOALS FOR FINANCIAL MANAGEMENT AND ACADEMIC PROGRAM.—Part A of title III of the Act is further amended by adding at the end the following new section:

"GOALS FOR FINANCIAL MANAGEMENT AND ACADEMIC PROGRAM

"SEC. 315. (a) GOALS.—Any application for a grant under this part shall describe measurable goals for the institution's financial management and academic programs, and include a plan of how the applicant intends to achieve those goals.

"(b) CONTINUATION REQUIREMENTS.—Any continuation application shall demonstrate the progress made toward achievement of the goals described pursuant to subsection (a).".

SEC. 303. AMENDMENTS TO PART B.

(a) USES OF FUNDS.—Section 323(a) of the Act is amended by adding at the end the following new paragraphs:

"(9) Establishing or improving a development office to strengthen or improve contributions from alumni and the private sector.

"(10) Establishing or enhancing a program of teacher education designed to qualify students to teach elementary or secondary education in public schools in the State, and which includes as part of such program, preparation for teacher certification.

"(11) Establishing community outreach programs which will encourage elementary and secondary students to develop the academic skills and the interest to pursue postsecondary education.".

(b) ALLOTMENT.—Section 324(c) of the Act is amended by inserting ", within 5 years of graduation with a baccalaureate degree," after "who are admitted to and in attendance at".

(c) MINIMUM ALLOTMENTS.—Section 324(d) of the Act is amended by striking "$350,000" and inserting "$500,000".

(d) GOALS FOR FINANCIAL MANAGEMENT AND ACADEMIC PROGRAMS.—Section 325 of the Act is amended by adding at the end the following new subsection:

"(c) GOALS FOR FINANCIAL MANAGEMENT AND ACADEMIC PROGRAMS.—Any application for a grant under this part shall describe measurable goals for the institution's financial management and academic programs, and include a plan of how the applicant intends to achieve those goals.".

(e) ELIGIBLE PROFESSIONAL AND GRADUATE INSTITUTIONS.—Section 326(e) of the Act is amended—

(1) by striking "and" at the end of paragraph (4);

(2) by striking the period at the end of paragraph (5) and inserting a semicolon; and

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

"(6) Xavier University School of Pharmacy;

"(7) Southern University School of Law;

"(8) Texas Southern University School of Law or School of Pharmacy;

"(9) Florida A & M University School of Pharmaceutical Sciences; and

"(10) North Carolina Central University School of Law.".

(f) FUNDING RULES FOR GRADUATE AND PROFESSIONAL INSTITUTIONS.—Section 326 of the Act is further amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d) the following new subsection:

"(e) FUNDING RULE.—(1) No grant may be made in any fiscal year beginning after September 30, 1991, for institutions described in paragraphs (6) through (10) of subsection (f) unless (A) funds appropriated and available for the institutions described in paragraphs (1) through (5) of subsection (f) exceeds the amount so appropriated and available for fiscal year 1991; and (B) an additional amount is appropriated and available for a grant of reasonable size to each of the institutions described in paragraphs (6) through (10) of subsection (f).

"(2) No grant may be made in any fiscal year beginning after September 30, 1991, for any institution described in paragraphs (1) through (5) of subsection (f) in excess of the amount the institution received in fiscal year 1991, unless an amount is appropriated and available for each of the institutions described in paragraphs (6) through (10) of subsection (f) which is sufficient to make a grant of $500,000 to each such institution.

"(3) In any fiscal year which the requirements of paragraphs (2) of this subsection are met and an additional amount is appropriated and available for this section, the grant attributable to such additional amount made to each institution described in paragraphs (1) through (10) of subsection (f) shall be equal, except that the requirement of this paragraph may be waived if any such institution cannot meet the matching requirement of subsection (a)(2) with respect to that institution, and the amount available by reason of this exception shall be distributed equally among the remaining institutions described in subsection (f).

"(4) In any fiscal year beginning after September 30, 1992, in which the amount appropriated for this section is less than the amount appropriated for the previous fiscal year, the amount which institutions described in subsection (f) receive in that fiscal year shall be ratably reduced. In case additional amounts become available for making grants under this section for the fiscal year during which the preceding sentence is applicable, such reduced amounts shall be increased on the same basis as they were reduced, except that the Morehouse School of Medicine shall not receive less than $3,000,000 in that fiscal year.".

(g) PROHIBITION.—Section 326 is amended by adding a new subsection:

"(g) PROHIBITION.—A grant may be made in any fiscal year under this section to either but not both of the institutions described in subsection (e)(8) of this section.".

SEC. 304. AMENDMENTS TO PART C.

(a) PROGRAM CONSOLIDATION.—Part C of title III of the Act is amended—

(1) by amending the heading of such part to read as follows:

"PART C—ENDOWMENT CHALLENGE GRANTS FOR INSTITUTIONS ELIGIBLE FOR ASSISTANCE UNDER PART A OR PART B";

(2) by striking section 331; and

(3) by redesignating section 332 as section 331.

(b) ELIGIBLE INSTITUTION.—Section 331(a)(2) of the Act (as redesignated by subsection (a) of this section) is amended by adding at the end the following new subparagraph:

"(D) The term 'eligible institution' means an institution that is—

"(i) an eligible institution under part A or would be considered to be such an institution if section 312(b)(1)(C) referred to a postgraduate degree rather than a bachelor's degree;

"(ii) an institution under part B or would be considered to be such an institution if section 324 referred to a postgraduate degree rather than a baccalaureate degree; or

"(iii) an institution that makes a substantial contribution to postgraduate medical educational opportunities for minorities and the economically disadvantaged.

The Secretary may waive the requirements of clauses (i) and (ii) of this subparagraph with respect to a postgraduate degree in the case of any institution otherwise eligible under this subparagraph for an endowment challenge grant upon determining that the institution makes a substantial contribution to medical education opportunities for minorities and the economically disadvantaged.".

(c) ENDOWMENT CHALLENGE GRANTS.—Section 331(b) of the Act (as so redesignated) is amended—

(1) by inserting "endowment" before "challenge grants" in paragraph (1);

(2) by striking "$10,000,000" in paragraph (2)(B) and inserting "$20,000,000";

(3) by amending paragraph (2)(C) to read as follows:

"(C)(i) Except as provided in clause (ii), if the appropriation for this part in a fiscal year is $20,000,000 or less, an eligible institution of higher education that it awarded a grant under subsection (b)(2)(B) of this section shall not be eligible to reapply for a grant under subsection (b)(2)(B) of this section during the 10 years immediately following the period that it received such a grant.

"(ii) If the appropriation for this part in any fiscal year is greater than $20,000,000, an eligible institution of higher education that is awarded a grant under subsection (b)(2)(B) of this section shall not be eligible to reapply for a grant under subsection (b)(2)(B) of this section during the 5 years immediately following the period that it received such a grant. This provision shall apply for the fiscal year in which the appropriation is greater than $20,000,000 and subsequent fiscal years, regardless of the appropriation in those fiscal years.";

(4) by striking "section 331(a)(1)" in paragraph (4)(A) and inserting "subsection (a)(2)(D) of this section";

(5) by striking "a challenge grant under this section" in paragraph (4)(B) and inserting "an endowment challenge grant under this section";

(6) by striking "a challenge grant under this section to an eligible institution year" in paragraph (5) and inserting "an endowment challenge grant under this section to an eligible institution";

(7) by amending paragraph (5)(B) to read as follows:

"(B) not more than $500,000 for fiscal year 1992 or any succeeding fiscal year.".

(d) SELECTION CRITERIA.—Section 331(f)(1) of the Act (as so redesignated) is amended by inserting before the semicolon at the end the following: ", or to an applicant that has received a grant under part A or part B of this title within the 5 fiscal years prior to the fiscal year in which the applicant is applying for a grant under this section".

(e) APPLICATION.—Section 331(g) of the Act (as so redesignated) is amended by inserting before the period at the end of the first sentence the following: ", including a descrip-

tion of the long- and short-term plans for raising and using the funds under this part".

(f) SET-ASIDE.—Section 331 of the Act (as so redesignated) is amended by adding at the end the following new subsection:

"(i) SET-ASIDE FOR HISTORICALLY BLACK COLLEGES AND UNIVERSITIES.—In any fiscal year beginning after September 30, 1992, the Secretary shall set aside 30 percent of the amount appropriated for that fiscal year pursuant to section 360 for challenge grants to Historically Black Colleges and Universities unless there are an insufficient number of quality applications or an insufficient number of applications due to the provisions in subsection (b)(2)(C) or subsection (b)(4)(B).".

SEC. 305. AMENDMENTS TO PART D.

(a) CONTENTS OF APPLICATIONS.—Section 351(b)(7) of the Act is amended—

(1) by striking subparagraph (D); and

(2) by redesignating subparagraphs (E) and (F) as subparagraphs (D) and (E), respectively.

(b) REPEALS.—Part D of title III of the Act is further amended—

(1) by striking sections 355 and 359; and

(2) by redesignating sections 356, 357, 358, and 360 as sections 355, 356, 357, and 358, respectively.

(c) AUTHORIZATIONS.—Section 358(a) of the Act (as redesignated) is amended to read as follows:

"SEC. 358. (a) AUTHORIZATIONS.—(1) There are authorized to be appropriated to carry out part A, $150,000,000 for fiscal year 1993, and such sums as may be necessary for the 4 succeeding fiscal years.

"(2)(A) There are authorized to be appropriated to carry out part B (other than section 326), $150,000,000 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 326, $20,000,000 for fiscal year 1993, and such sums as may be necessary for the 4 succeeding fiscal years.

"(3) There are authorized to be appropriated to carry out part C, $60,000,000 for fiscal year 1993, and such sums as may be necessary for the 4 succeeding fiscal years.".

(d) ADDITIONAL AMENDMENTS TO SECTION 360.—Section 358(c) of the Act (as redesignated) is amended by striking "1986—" and paragraphs (1) and (2) and inserting the following: "1986, the Secretary shall, for such fiscal year—

"(1) allocate 25 percent of the excess (above the amount appropriated for part A for fiscal year 1986) among eligible institutions at which at least 60 percent of the students are Black Americans, Hispanic Americans, Native Americans, Asian Americans, Native Hawaiians, or Pacific Islanders, or any combination thereof; and

"(2) allocate 75 percent of such excess among other eligible institutions.".

The CHAIRMAN. Are there amendments to title III?

If not, the Clerk will designate title IV.

The text of title IV, as modified, is as follows:

TITLE IV—STUDENT ASSISTANCE

PART A—GRANTS TO STUDENTS IN ATTENDANCE AT INSTITUTIONS OF HIGHER EDUCATION

Subpart 1—Federal Pell Grants

SEC. 411. FEDERAL PELL GRANT PROGRAM.

(a) AUTHORIZATION.—Section 411(a)(1) of the Act is amended—

(1) by striking "September 30, 1992," and inserting "September 30, 1998,"; and

(2) by striking "paragraph (2)" and inserting "subsection (b)".

(b) NAME OF PROGRAM.—Section 411(a)(3) of the Act is amended by striking "as 'Pell Grants' " and inserting "as 'Federal Pell Grants' ".

(c) PROPORTION OF COST.—Section 411(b)(1) of the Act is amended—

(1) by striking "(A) as determined" and all that follows through "and (B)";

(2) by striking "parental or independent student" and inserting "family and student"; and

(3) by striking "subparts 2 and 3" and inserting "subparts 3 and 4".

(d) GRANT AMOUNTS.—(1) Section 411(b)(2)(A) of the Act is amended—

(A) by inserting "maximum" before "basic"; and

(B) by striking out clause (i) and all that follows through "that year." and inserting the following:

"(i) $4,500 for academic year 1992–1993, and

"(ii) the amount determined under subparagraph (B) for academic year 1993–1994 and each academic year thereafter through academic year 1998–1999.".

(2) Section 411(b)(2) of the Act is amended—

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

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

"(B)(i) The maximum amount to which a student is entitled under clause (ii) of subparagraph (A) for each academic year shall be the amount determined under subparagraph (A) for the academic year preceding the academic year for which the determination is made, increased by the percentage increase in the Consumer Price Index determined in accordance with clause (ii), rounded to the nearest $25.

"(ii) The Secretary of Labor shall publish in the Federal Register, not later than July 31 in each year (beginning with July, 1992) the percentage change in the Consumer Price Index published for the year ending June 30 of the year in which the publication is made. If the percentage in any year published under the preceding sentence indicates an increase in the Consumer Price Index, the Secretary shall publish in the Federal Register, not later than August 31 in each year the amount of the maximum grant, as specified in clause (ii) of subparagraph (A), for the academic year that begins in the succeeding calendar year. If the percentage so published does not indicate an increase in the Consumer Price Index, the amount of the maximum grant for the academic year for which the determination is made shall be the amount of the grant for the preceding academic year.

"(iii) For the purpose of this subparagraph, the term 'Consumer Price Index' means the Consumer Price Index for Wage Earners and Clerical Workers published by the Bureau of Labor Statistics.".

(3) Subparagraph (C) of section 411(b)(2) of the Act (as redesignated by paragraph (2) of this subsection) is amended by inserting before the period at the end of the first sentence the following: ", computed in accordance with this subpart".

(4) Section 411(b)(3) of the Act is amended to read as follows:

"(3)(A) 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)(i) shall be determined by locating, on the following tables, 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):

TABLE 1.—PELL GRANT PAYMENT SCHEDULE

Dependent Students, Independent Students with Dependents

If tuition is:	And expected family contribution is:				
	$0	$1–200	$201–400	$401–600	$601–800
Then the award is:					
$0–$199	$2,750	$2,427	$2,347	$2,266	$2,185
200–399	2,825	2,502	2,422	2,341	2,260
400–599	2,875	2,552	2,472	2,391	2,310
600–799	2,925	2,602	2,522	2,441	2,360
800–999	2,975	2,652	2,572	2,491	2,410
1,000–1,199	3,025	2,702	2,622	2,541	2,460
1,200–1,399	3,075	2,752	2,672	2,591	2,510
1,400–1,599	3,125	2,802	2,722	2,641	2,560
1,600–1,799	3,175	2,852	2,772	2,691	2,610
1,800–1,999	3,225	2,902	2,822	2,741	2,660
2,000–2,199	3,275	2,952	2,872	2,791	2,710
2,200–2,399	3,325	3,002	2,922	2,841	2,760
2,400–2,599	3,375	3,052	2,972	2,891	2,810
2,600–2,799	3,425	3,102	3,022	2,941	2,860
2,800–2,999	3,475	3,152	3,072	2,991	2,910
3,000–3,199	3,525	3,202	3,122	3,041	2,960
3,200–3,399	3,575	3,252	3,172	3,091	3,010

TABLE 1.—PELL GRANT PAYMENT SCHEDULE—Continued

Dependent Students, Independent Students with Dependents

If tuition is:	And expected family contribution is:				
	$0	$1–200	$201–400	$401–600	$601–800
3,400–3,599	3,625	3,302	3,222	3,141	3,060
3,600–3,799	3,675	3,352	3,272	3,191	3,110
3,800–3,999	3,725	3,402	3,322	3,241	3,160
4,000–4,199	3,775	3,452	3,372	3,291	3,210
4,200–4,399	3,825	3,502	3,422	3,341	3,260
4,400–4,599	3,875	3,552	3,472	3,391	3,310
4,600–4,799	3,925	3,602	3,522	3,441	3,360
4,800–4,999	3,975	3,652	3,572	3,491	3,410
5,000–5,199	4,025	3,702	3,622	3,541	3,460
5,200–5,399	4,075	3,752	3,672	3,591	3,510
5,400–5,599	4,125	3,802	3,722	3,641	3,560
5,600–5,799	4,175	3,852	3,772	3,691	3,610
5,800–5,999	4,225	3,902	3,822	3,741	3,660
6,000–6,199	4,275	3,952	3,872	3,791	3,710
6,200–6,399	4,325	4,002	3,922	3,841	3,760
6,400–6,599	4,375	4,052	3,972	3,891	3,810
6,600–6,799	4,425	4,102	4,022	3,941	3,860
6,800–6,999	4,475	4,152	4,072	3,991	3,910
7,000+	4,500	4,177	4,097	4,016	3,935

TABLE 1.—PELL GRANT PAYMENT SCHEDULE—Continued

Dependent Students, Independent Students with Dependents

If tuition is:	And expected family contribution is:					
	$801–1,000	$1,001–1,200	$1,201–1,400	$1,401–1,600	$1,601–1,800	$1,801–2,000
Then the award is:						
$0–$199	$2,105	$2,008	$1,877	$1,745	$1,614	$1,483
200–399	2,180	2,083	1,952	1,820	1,689	1,558
400–599	2,230	2,133	2,002	1,870	1,739	1,608
600–799	2,280	2,183	2,052	1,920	1,789	1,658
800–999	2,330	2,233	2,102	1,970	1,839	1,708
1,000–1,199	2,380	2,283	2,152	2,020	1,889	1,758
1,200–1,399	2,430	2,333	2,202	2,070	1,939	1,808
1,400–1,599	2,480	2,383	2,252	2,120	1,989	1,858
1,600–1,799	2,530	2,433	2,302	2,170	2,039	1,908
1,800–1,999	2,580	2,483	2,352	2,220	2,089	1,958
2,000–2,199	2,630	2,533	2,402	2,270	2,139	2,008
2,200–2,399	2,680	2,583	2,452	2,320	2,189	2,058
2,400–2,599	2,730	2,633	2,502	2,370	2,239	2,108
2,600–2,799	2,780	2,683	2,552	2,420	2,289	2,158
2,800–2,999	2,830	2,733	2,602	2,470	2,339	2,208
3,000–3,199	2,880	2,783	2,652	2,520	2,389	2,258
3,200–3,399	2,930	2,833	2,702	2,570	2,439	2,308
3,400–3,599	2,980	2,883	2,752	2,620	2,489	2,358
3,600–3,799	3,030	2,933	2,802	2,670	2,539	2,408
3,800–3,999	3,080	2,983	2,852	2,720	2,589	2,458
4,000–4,199	3,130	3,033	2,902	2,770	2,639	2,508
4,200–4,399	3,180	3,083	2,952	2,820	2,689	2,558
4,400–4,599	3,230	3,133	3,002	2,870	2,739	2,608
4,600–4,799	3,280	3,183	3,052	2,920	2,789	2,658
4,800–4,999	3,330	3,233	3,102	2,970	2,839	2,708
5,000–5,199	3,380	3,283	3,152	3,020	2,889	2,758
5,200–5,399	3,430	3,333	3,202	3,070	2,939	2,808
5,400–5,599	3,480	3,383	3,252	3,120	2,989	2,858
5,600–5,799	3,530	3,433	3,302	3,170	3,039	2,908
5,800–5,999	3,580	3,483	3,352	3,220	3,089	2,958
6,000–6,199	3,630	3,533	3,402	3,270	3,139	3,008
6,200–6,399	3,680	3,583	3,452	3,320	3,189	3,058
6,400–6,599	3,730	3,633	3,502	3,370	3,239	3,108
6,600–6,799	3,780	3,683	3,552	3,420	3,289	3,158
6,800–6,999	3,830	3,733	3,602	3,470	3,339	3,208
7,000 +	3,855	3,758	3,627	3,495	3,364	3,233

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

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
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
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
3,200–3,300	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:					

TABLE 2.—PELL GRANT PAYMENT SCHEDULE—Continued

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
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

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
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
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

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
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
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

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
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
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

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
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

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
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
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

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
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
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

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
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

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:				
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
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

TABLE 4.—PELL GRANT PAYMENT SCHEDULE—Continued

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:					
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
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

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:					
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
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

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
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
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 student may be awarded a basic grant for more than two and one-half academic years while attending on a less than half-time basis.".

(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) 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. Technical 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 authorized 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 institutions, 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—HONORS AWARDS

"SEC. 405A. SCHOLARSHIPS AUTHORIZED.

"(a) PROGRAM AUTHORITY.—The Secretary is authorized, in accordance with this chapter, to award Presidential 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 Presidential Honors scholarship for each year that the student receives a Pell Grant.

"(c) PRESIDENTIAL HONORS SCHOLARS.—Students awarded scholarships under this chapter shall be known as 'Presidential 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 Presidential 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 PROGRAMS.—Participation in another early intervention program regardless of sponsorship for a thirty-six month period, shall qualify students for Presidential 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 Presidential 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 Presidential 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 Presidential 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—CONGRESSIONAL 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) CONGRESSIONAL ACHIEVEMENT SCHOLARSHIPS.—Students awarded scholarships under this chapter shall be known as 'Congressional 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 Congressional Achievement Scholarship for a given academic year is not dependent on whether the student received a Congressional 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 Congressional Achievement Scholarship.

"SEC. 409D. AWARD PROCEDURES.

"(a) AWARD PROCEDURES.—(1) The Secretary shall establish the procedures through regulations by which Congressional 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 to a borrower's account—

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

"(B) by crediting the excess interest to the reduction of principal to the extent provided for under 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) 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.

(m) 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.".

(n) 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.".

(o) 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.".

(p) 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.".

(q) 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.".

(r) 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".

(s) 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.".

(t) 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".

(u) SUBROGATION.—Section 428(c)(8) of the Act is amended to read as follows:

"(8) ASSIGNMENT TO PROTECT THE FEDERAL FISCAL INTEREST.—If the Secretary determines that the protection of the Federal fiscal interest so requires, a guaranty agency shall assign to the Secretary any loan of which it is the holder 36 months after the Secretary has made a payment pursuant to paragraph (1) of this subsection unless a judgment against the defaulted borrower has been obtained or a payment from all sources of at least $300 has been received in the preceding 12 months, or a payment from all sources of at least $90 has been received in the preceding 3 months.".

(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 guaranty 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".

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 payments 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.".

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. 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 recommendations 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. 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. At the conclusion of each fiscal year, the Secretary shall report his findings and activities concerning the expenditure of funds authorized by this section to the Appropriations Committees of the House of Representatives and the Senate and to the Committee on Education and Labor of the House and the Committee on Labor and Human Resources of the Senate.

"(4) TRAINING ACTIVITIES.—Not less than ⅛ 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 not to 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;

"(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; and

"(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."; and

(2) 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. 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 thereof the following new paragraph:

"(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 requested 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 nec-

essary 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 categories 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) CONSEQUENCES OF FAILURE TO AWARD.—Section 442(e) of the Act is amended to read as follows:

"(e) REALLOCATION OF EXCESS ALLOCATIONS.—(1) 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 not to exceed 25 percent of such excess to eligible institutions to carry out the purposes of section 1131. The Secretary shall allocate the remainder of such excess in accordance with section 445(a)(2).

"(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.".

(d) MENTORING 447.—Section 443(b)(2) of the Act is amended by striking subparagraph (A) and inserting the following:

"(A) an institution may use funds provided under this part to pay eligible students to engage in activities as a mentor for the purpose of—

"(i) tutoring;

"(ii) supporting educational and recreational activities;

"(iii) counseling, including career counseling; and

"(iv) other appropriate activities; and".

(e) 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;".

(f) 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;".

(g) 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".

(h) 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.".

(i) INDIVIDUALS WITH DISABILITIES.—Section 443(b) of the Act is amended—

(1) by redesignating paragraph (9) as paragraph (10);

(2) by striking "and" at the end of paragraph (8); and

(3) by inserting after paragraph (8) the following new paragraph:

"(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; and".

(j) 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.".

(k) 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 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.".

(l) 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 nonperformance 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 section 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.

"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; and

"(6) 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.

"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;

"(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.

"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.—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).

"(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 contribution' 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;

except that the amount determined under this subsection shall not be less than zero.

"(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 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 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
$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	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	51,700
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 protec-

tion 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 ASSSISTANCE; 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) 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"; and

(2) by striking the last two sentences and inserting the following: "Notwithstanding clause (i) of this subsection, an institution which provides less than a 600 clock hour, but more than a 300 clock hour, program of training to prepare students for gainful employment in a recognized occupation may be eligible for loans under part B or part D if (i) the owner of the institution or a prospective employer cosigns the loan with the students, pursuant to regulations of the Secretary; and (ii) the loan amount is not more than half of the tuition and fees as defined in section 472(1).".

(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;

(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 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.

"(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 institution's records relating the borrower's 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) POLICY.—Section 485(f)(1) of the Act is amended by adding at the end the following new subparagraph:

"(J) A statement of current campus policies regarding institutional programs aimed at the prevention of sex offenses, procedures to be followed once a sex offense has occurred, and the availability of assistance to victims.".

(2) 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.".

(3) POLICY DEVELOPMENT.—Section 485(f) of the Act is amended by adding at the end the following new paragraph:

"(7) In developing a campus sexual assault policy pursuant to paragraph (1)(J), some examples might include—

"(A) clearly establishing the role of appropriate campus personnel in—

"(i) counseling students regarding the options available for responding to the sexual offense, for example, contacting local police and/or going through an internal campus disciplinary proceeding;

"(ii) contacting the proper authorities on the occurrence of a sexual offense and providing students a list of the campus personnel responsible for providing students with any assistance or information they are to receive from the school;

"(iii) informing students and campus personnel as to the importance of preserving evidence as may be necessary to the proof of criminal sexual assault;

"(B) consider the following provisions for inclusion in their campus policy—

"(i) providing that both the assailant and the victim are assured of the same opportunity to have or not have legal assistance, or ability to have others present, in any campus disciplinary proceeding, and the right to be notified of the outcome of such proceeding;

"(ii) providing information on any options, as provided by State and Federal laws or regulations, with regard to mandatory testing of sexual assault suspects for communicable diseases and with regard to notification to victims of the results of such testing;

"(iii) providing information on what other services are available to students who are victims of sexual offenses. For example, providing a list of mental health services operated by the institution and/or rape crisis centers in the surrounding community;

"(iv) how the institution might try to keep the victim out of close proximity to the alleged assailant in classes and the living environment. For example, the institutions might try to offer the student housing alternatives or classes separate from the alleged assailant, if they are reasonably available.".

(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 and 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 eligible 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) With respect to any institution that offers athletically related student aid, the institution will—

"(A) have an annual audit conducted, in accordance with guidelines prescribed by the Secretary by regulation, by a person certified to perform financial audits, of—

"(i) the total revenues, and the revenues by sport, derived by the institution's athletic departments and intercollegiate athletic activities;

"(ii) the total expenditures, and the direct expenditures by sport, derived from such departments and intercollegiate activities; and

"(iii) the total revenues and expenditures of the institution for the same period; and

"(B) make the reports on such audits available for inspection by the Secretary and the public.

"(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) 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.(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 Administrative 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 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);

"(2) 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;

"(3) a limitation, suspension, or termination action by the Secretary against the institution pursuant to section 487 during the preceding 5 years;

"(4) 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;

"(5) a citation of the institution by the Secretary for failure to submit audits required by this title in a timely fashion;

"(6) 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;

"(7) failure to meet financial responsibility standards pursuant to subsection (c)(6)(B) of section 487;

"(8) 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;

"(9) 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

"(10) 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".

The CHAIRMAN. Are there any amendments to title IV?

AMENDMENT OFFERED BY MR. COLEMAN OF MISSOURI

Mr. COLEMAN of Missouri. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLEMAN of Missouri:

Page 273, line 24, after the quotation marks insert "(b) ADMINISTRATIVE EXPENSES.—", and before such line insert the following:

"(a) LOAN FUNDS AUTHORIZED.—There are authorized to be appropriated for the purpose of making direct loan payments under section 451(b)(1), not to exceed $500,000,000 for fiscal year 1994 and each of the 4 succeeding fiscal years.

Page 262, after line 15, after "shall" insert ", subject to subsection (c)".

Page 262, after line 17, insert the following new subsection:

"(c) ACCESS TO LOANS WHEN DEMAND EXCEEDS SUPPLY.—If the demand for loans under this part for any academic year at institutions with which the Secretary has an agreement under section 454 exceeds, in the aggregate, the amount available (pursuant to section 459A(a)) for such loans for such academic year, the Secretary shall notify each such institution of that fact and establish for each such institution an allocation (from such available amount) that such institution will be permitted to lend under this part. Each such institution shall make that allocation available or loans to its students

on a first-come, first-served basis, in accordance with regulations prescribed by the Secretary. Any additional demand for loans from such students shall be met by providing such students with the certifications required to permit such students to obtain loans under part B of this title.

Page 263, beginning on line 14, strike "was $500,000,000 in the most recent year for which data is available" and insert "can reasonably be expected to be $500,000,000 in each year of the demonstration program".

Page 267, line 6, after "will not" insert ",except as necessary because of the application of section 451(c)."

Mr. COLEMAN of Missouri (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN. Would the gentleman indicate, has the amendment been printed in the RECORD?

Mr. COLEMAN of Missouri. Mr. Chairman, yes, it has.

The CHAIRMAN. Would the gentleman indicate on which page of the bill the amendment occurs?

Mr. COLEMAN of Missouri. Mr. Chairman, it is on page 273.

Mr. PANETTA. Mr. Chairman, I reserve a point of order.

The CHAIRMAN. The gentleman from California [Mr. PANETTA] reserves a point of order on the amendment.

Mr. COLEMAN of Missouri. Mr. Chairman, I hope that the gentleman from California would withdraw his point of order after I explain the purpose of the amendment. Both he and I are concerned about the borrowing authority of the Federal Government. My amendment attempts to limit the borrowing authority.

Mr. Chairman, in this bill, we are starting off on a new road regarding the delivery system for student loans. We currently have a private system of banks, guarantee agencies and secondary markets that provide leverage, with Federal dollars, to go out and loan billions and millions of dollars to students all over the country.

Some Members become fascinated with a direct loan program. In the committee, a direct loan program was supported. But in the substitute that the chairman has proposed, it is made a demonstration or a pilot project.

The direct-lending pilot project is open-ended. It is open-ended in the sense that it starts at $500 million in 1992 and proposes that that $500 million be allowed to grow for 5 years for institutions participating in the demonstration pilot project.

Now, there are guarantees in the bill about getting a cross section of schools, both public and private, two and four, proprietaries, to make sure that this is a real demonstration project.

I do not oppose the demonstration project, but I think we need to put a lid on the amount of money in a demonstration project pipeline. That is to say, we ought to start with the $500 million and end at the $500 million on the size of this demonstration, not allow it to increase, to create another entitlement on this particular demonstration program.

□ 1150

It is anticipated that if we just allowed natural growth to occur in the institutions that participate in this pilot project, by the third and fourth and fifth year it will not be $500 million, it will be $600, $700, $750, and it could be more per year.

My amendment tries to rein in, about $1.25 billion, we estimate, in additional borrowing that the Federal Government would have to make to put into this demonstration project.

If the purpose of the budget is to restrict the borrowing of the Federal Government as much as we can, we ought to adopt this amendment. If we are serious about trying to control the deficit, we ought to adopt this amendment. The size of the direct loan program is very important, but what the committee proposes here is that it become a runaway growth program. The committee cannot tell you how many dollars are going to be spent on this demonstration program. That is the purpose of the amendment.

I want to make a point, in all of these schools that are going to participate in the demonstration program, no one is going to be turned away for a student loan or treated any differently than any other student in this country. If the school goes over their quota in this demonstration project, all the students that would have gone into the demonstration project under the bill, will now just go under the usual Guaranteed Student Loan Program. They will not know the difference. No one's eligibility will be changed, nor will the effects of their loans be changed. The only difference will be that the taxpayers will not be footing the bill for going out and borrowing money, by the Federal Government, to sock into a demonstration program. Under the demonstration program we do not have banks involved, we have the Federal Government as the bank. We go out and borrow the money because we have a $400 billion deficit and we put it into this demonstration program, which would increase and increase and increase.

That is why I asked the gentleman from California [Mr. PANETTA], my good friend, and who has made this point of order, to recognize that if his point of order is sustained, it is going to cost the U.S. Government over $1.25 billion in new borrowing authority. That is why we ought to withdraw this point of order and go ahead and debate the merits of this proposal and have a vote on it.

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. COLEMAN of Missouri. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Chairman, I rise in support of the amendment for several reasons. First of all, we have no idea how this situation is going to work. There is nothing to rely on that has gone on before. This could cost us a lot of money in the long run rather than saving us any, as CBO thinks it might.

Secondly, I have a real concern that if we do this too rapidly we are going to end up putting all the guarantee agencies out of business. Then we will have a real mess on our hands. I think a controlled program certainly is in our best interest.

Mr. COLEMAN of Missouri. Mr. Chairman, I ask for a ruling on the point of order. If the gentleman from California [Mr. PANETTA] wishes to pursue his point of order, I would ask for a ruling on it. I want to get this thing to a head. Again, I hope the gentleman will not pursue his point of order. Let us go ahead and debate the merits of the proposals, let us not hang this up on a technicality.

What I am trying to save is over $1 billion of borrowing authority and prevent increasing the deficit. That would truly turn the Budget Act on its head and would destroy any credibility that the act currently has.

I would like to get on with it, if the gentleman from California would pursue his point of order. I hope that he will withdraw it.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from California [Mr. PANETTA] wish to insist on his point of order?

Mr. PANETTA. Mr. Chairman, we have a large number of amendments that are involved with this bill. We have made very clear to those Members with the amendments that we have to proceed with the points of order under the Budget Act. We get criticized if we do not make these points of order.

I regret to the gentleman in the well, Mr. COLEMAN of Missouri, I think the amendment does have some merit to it, but I also have a responsibility to enforce the Budget Act with points of order. We are going to do that on many amendments here today. I am not going to pick and choose. I apologize, but that is the case.

I wish to proceed with my point of order.

The CHAIRMAN. The gentleman from California [Mr. PANETTA] will state his point of order.

Mr. PANETTA. Mr. Chairman, under section 303(a) of the Congressional Budget Act, it is not in order to consider any measure which creates entitlement authority or direct spending authority first effective in a fiscal year prior to the adoption of the budget resolution for that fiscal year.

The instant amendment offered by COLEMAN of Missouri creates new entitlement authority first effective in fiscal year 1994. Since Congress has yet to agree to the budget resolution for fiscal year 1994, section 303(a) prohibits its consideration.

The bill under consideration, in establishing a Federal Direct Loan Demonstration Program, proposes an either/or proposition. For students at particular institutions, and their parents, eligibility to participate in the entitlement loan programs under part B of title IV of the Higher Education Act is extinguished by the terms of the bill.

The Coleman amendment, in capping the aggregate loan volume available for the demonstration program, specifically reestablishes the right to participation in the entitlement loan programs under part B as the means for satisfying additional demand beyond the cap. The amendment goes so far as to mandate student eligibility, which would not otherwise exist, by directing the Secretary to provide students with the certifications required to permit such students to obtain loans under part B of this title.

By renewing this eligibility, the amendment creates new entitlement authority first effective in fiscal year 1994—the year in which the demonstration program begins and the year in which eligibility for participation in other student loan entitlement programs under the act would otherwise be extinguished.

Since Congress has yet to agree to the conference report on the concurrent resolution on the budget for fiscal year 1994, the amendment is not in order.

Further, section 402(a) of the Congressional Budget Act prohibits the consideration of any measure which creates credit authority which is not subject to prior appropriation.

The instant amendment, in creating additional eligibility for participation in entitlement loan programs not otherwise provided by the bill creates additional authority to incur primary loan guarantee commitments.

Since the amendment does not make this credit authority specifically subject to appropriations, it also violates section 402(a) of the Budget Act.

Mr. Chairman, I insist on my point of order.

The CHAIRMAN. Does the gentleman from Missouri [Mr. COLEMAN] wish to be heard on the point of order?

Mr. COLEMAN of Missouri. I do, Mr. Chairman.

The CHAIRMAN. The gentleman from Missouri is recognized on the point of order.

Mr. COLEMAN of Missouri. Mr. Chairman, this truly is a time when we look at the Budget Act. The gentleman has just cited two sections of it, both of which the intent, and my point of order and my response to it is that the intent of section 402(a) and section 303(a) of the Budget Act does not intend that the Congress spend more money as a result of these budget provisions, and in fact my amendment saves money under these budget acts, and that the entitlements set up are in fact entitlements already in the bill being proposed to this body this afternoon. That is where the entitlements come from.

I am trying to limit those entitlements. I am trying to restrict the growth of borrowing. I do not care what citations the gentleman from California [Mr. PANETTA] wants to make of the Budget Act, I will cite the entire Budget Act. The entire Budget Act is supposed to get spending under control. I am trying to reduce borrowing and spending and the deficit by $1.25 billion.

Now, the gentleman can go into all the technicalities he wants to and he can present all of this. It does not make sense. It does not make to the American people for the chairman of the Committee on the Budget to stand up and make a point of order against the budget saving proposal amendment because it violates the Budget Act.

This truly is a bizarre world we live in here in Washington, in the House of Representatives, where we are going to stop money-saving, budget-saving, borrowing-saving amendments from themselves because they in fact would save money because they violate the Budget Act.

If that is what the Budget Act has, then it is not serving the American people very well. I am truly sorry, even though the gentleman from California says that my amendment has merits, that he is proposing a technicality, if he can find one, and we will find out if the Parliamentarian has found one, to avoid talking about this issue that ought to be debated in public and ought to be put out there for everybody to talk about.

That is my point of order. I do not know if it is nicely confined. I did not have somebody draw it up for me to cite all the citations. But the true point of order is that the public thinks this whole place is out of order. Let us get back in order. Let us go ahead and sustain my position and not the position of the gentleman from California [Mr. PANETTA].

The CHAIRMAN (Mr. PEASE). Does any other Member wish to be heard on the point of order? If not, the Chair is prepared to rule.

Under the terms of the bill, paragraph 5 on page 267, Stafford loans are not available in institutions that participate in the pilot program. Under the amendment, Stafford loans are required to be to any overflow demands for the pilot program as constrained by the amendment. Because Stafford loans are entitlements, the amendment thus provides new entitlement authority within the meaning of section 303, which prohibits an increased use of existing entitlements or creation of new entitlements in future fiscal years prior to the final adoption of the budget resolution.

For that reason, the Chair sustains the point of order.

AMENDMENT OFFERED BY MR. GOODLING

Mr. GOODLING. Mr. Chairman, I offer an amendment on page 426, after line 2.

The Clerk read as follows:

Amendment offered by Mr. GOODLING: Page 426, after line 2, insert the following new part (and conform the table of contents accordingly):

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" 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.".

Mr. GOODLING (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

□ 1200

The CHAIRMAN. The Chair would inquire of the gentleman from Pennsylvania if his amendment is printed in the RECORD.

Mr. GOODLING. Yes it is, Mr. Chairman.

Mr. Chairman, the amendment I have is offered to title IV of the bill and extends through fiscal year 1997 the current National Science Scholars Program which was created in 1990. The program has received appropriations in each of the years it has been authorized. For fiscal year 1992 the program received $4.5 million. The President is requesting $15 million for the program for this year, and I am hopeful that the program will continue through the extension of its authorization.

The program's purpose is to attract more students into the fields of mathematics, the sciences, and engineering by giving promising high school students 4-year scholarships to go on to the colleges and universities of their choice to earn degrees in math and science. Students are chosen based on their achievement in science and math in high school, and those that have been selected represent all 50 States.

So I hope all Members will join with me in swift passage of this amendment.

Mr. FORD of Michigan. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the majority has examined the amendment and we agree

with the minority and accept the amendment.

Mr. GOODLING. Mr. Chairman, I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. GOODLING].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. GOODLING

Mr. GOODLING. Mr. Chairman, I offer an amendment at page 375 after line 13, and it was printed in the RECORD.

The Clerk read as follows:

Amendment offered by Mr. GOODLING: Page 375, after line 13, insert the following new 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.

Mr. GOODLING (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GOODLING. Mr. Chairman, I rise today to offer an amendment to change the dates for collection of campus crime statistics for reporting under the Student Right to Know and Campus Security Act. While we changed the collection date last year, we have since heard from colleges and universities all across the Nation concerning the time during which the statistics are to be gathered. There are a growing number of State laws requiring the collection of statistics on a January 1 to December 31 calendar year basis. Likewise, schools reporting to the uniformed crime reports use the same reporting period, and so I would ask we do the same in the bill.

It would change current law and require schools to collect data from January 1 to December 31 and report such data to students and faculty on September 1 of the following year.

Mr. FORD of Michigan. Mr. Chairman, I move to strike the last word.

Mr. Chairman, we have examined the gentleman's amendment. We have discussed it very thoroughly. It really is a clarifying amendment of the language that is in the bill, at his request, and we accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. GOODLING].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. JEFFERSON

Mr. JEFFERSON. Mr. Chairman, I ask unanimous consent to return to title III to offer an amendment that was passed over.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. JEFFERSON:—Page 52, line 8, strike "and", on line 10 strike the periods and quotation marks and insert a semicolon, and after line 10 insert the following:

"(11) Morgan State Graduate School

"(12) Hampton University Graduate School

"(12) Alabama A&M Graduate School

"(14) North Carolina A&T State University Graduate School

"(15) University of Maryland Eastern Shore Graduate School and

"(16) Jackson State Graduate School

—Page 53, lines 2, 9, and 16, strike "(10)" and insert "(16)".

The CHAIRMAN. The Chair would ask if the amendment of the gentleman has been printed in the CONGRESSIONAL RECORD?

Mr. JEFFERSON. It has, Mr. Chairman.

Mr. Chairman, I rise to offer an amendment to title III of Higher Education Act that would make six additional institutions eligible to receive funds under section 326B which directs the Secretary of Education to award grants to historically black colleges and universities that make substantial contributions to professional and graduate educational opportunities for African-American students.

The need for this amendment is driven by the dramatic demographic trends and the disproportionate under-representation of minority Ph.D.'s. These trends and this under-representation have dictated a change in the role of historically black colleges and universities as professional and doctoral degree-granting institutions, roles which now demand recognition in the 1992 reauthorization of the Higher Education Act.

By the year 2000, minorities will constitute more than 33 percent of the Nation's work force. At the same time, a critical decline of scientists and engineers will erode the Nation's productivity and competitiveness in domestic and international markets.

Historically black colleges have established an enviable reputation as flagship institutions in the production of black undergraduates, which gives them an obvious advantage in the ability to attract and produce black American Ph.D's. A recent report indicates that black colleges enroll 16 percent of all black students in higher education, yet they graduated more than 40 percent of the students who ultimately received Ph.D's. in 1990.—American Minorities and International Students: Striking What Balance? Frank L. Morris, Morgan State University, 1991.

In 1989, black Americans were the only minority group indicating a decline in the number of doctoral recipients. Between 1975 and 1990, there was a 50-percent decline in the number of black male Ph.D's and in 1989 black Americans constituted only 3.6 percent or 811 of the 34,319 doctorates awarded in the Nation.

The numbers take on even more significance, cast in the light of figures showing that less than half of the black 1986 Ph.D recipients planned careers in higher education. Thus, the few blacks in the pipeline promise only a decreasing flow to America's higher education classrooms and research laboratories.

In a study of black doctorates in the Nation, Frank Morris of Morgan State University writes that:

What is shocking is the wide number of important scientific fields where American universities produced not a single U.S. African-American Ph.D. in 1990.

There were no U.S.-produced African-American Ph.D's in applied mathematics, atomic and molecular physics, civil engineering, systems engineering, biophysics, microbiology, and other high-demand sciences.

Clearly, these data underscore the importance of a national investment in the development of professional and graduate programs at black colleges. Persistence and graduation rates for black Ph.D.'s at nonhistorically black institutions are marginal at best, whereas historically black colleges have a proven track record of success for producing black professional and doctoral graduates. According to the National Association for Equal Opportunity in Higher Education, historically black colleges and universities graduate 3½ times more black Ph.D.'s than all other institutions combined. Title III has been a good investment for the Nation.

Historically black colleges and universities are responding to the challenge to increase the representation of blacks in critical areas of professional and doctoral degrees. North Carolina A&T State University will now offer a Ph.D. program in engineering; Hampton University will accept its first class of Ph.D. candidates in physics in September of this year; Alabama A&M University offers a doctorate in food science and plant and animal science; Morgan State will offer Ph.D.'s in seven areas of physical and social sciences; Jackson State offers a Ph.D.

in environmental science; and University of Maryland Eastern Shore offers Ph.D.'s in marine biology, toxicology, and environmental science.

The ability of black colleges to continue to advance in these disciplines and beyond is tied inextricably to the Nation's willingness to invest in them and by so doing to invest in future performance and productivity to the U.S. work force.

The support of existing and emerging black graduate and professional programs in section 326 of title III of the Higher Education Act will move a significant number of highly competitive institutions into the maninstream of graduate and professional education. If we fail to capitalize on this major opportunity, it will demonstrate a dangerous lack of vision and foresight that could hold unfortunate consequences for the economic future of the entire Nation.

The reauthorization of the Higher Education Act provides the ideal opportunity to ameliorate the grossly uneven production of black Ph.D.'s in the Nation.

Mr. FORD of Michigan. Mr. Chairman, I move to strike the last word.

Mr. Chairman, it should be understood that what the gentleman is doing is amending existing law, a provision in the law that provides money for science education in graduate schools at a discrete number of historically black colleges.

This amendment will add six additional members of that family of black colleges to the program. The reservations I had had to do with the fact that by dividing by 16 instead of 10 that it would dilute the money now going to the other historically black colleges. That is a very closely knit family. They have been able to solve it.

I suggest we take the gentleman's amendment and hope that they can work something out among themselves before we get to conference, and for that reason I accept the gentleman's amendment.

Mr. COLEMAN of Missouri. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I do think the RECORD ought to show that this is far from a consensus position by the institutions that have formed the United Negro College Fund. In fact, I have a letter, dated today, which I know was sent to the author of the amendment, in which those institutions state very forcefully their reservations in opposition to his amendment. They do so for a variety of reasons.

The first reason for their opposition is that the appropriations will not be available to incorporate the 11 schools without decreasing the funding currently available for the current 5 schools that are participating in this program.

□ 1210

The second reason they cite for opposition is that, under the House bill formula the five current schools receive no new funds until all the new schools reach $500,000 or parity, thereby postponing the possibility of future funding for many years.

Finally, they say a 16-school graduate section will begin to compete with the regular part B program for limited Federal funds. I think this is a very important thing to consider.

We simply are dividing the pie, it is not getting any bigger. With the addition of the 5 in the bill the same pie is sliced up 10 ways. If the gentleman's amendment is adopted, the pie will be sliced up 16 ways. That is a significant reduction for all these schools.

I have reservations about it. I am not in a position to accept it, but I think the body ought to know that there is not unanimity on this issue amongst the community in which this is a most important item.

Mr. JEFFERSON. Mr. Chairman, will the gentleman yield?

Mr. COLEMAN of Missouri. I yield to the gentleman from Louisiana.

Mr. JEFFERSON. Mr. Chairman, NAFEO, which is the umbrella organization—if you will—for the historically black colleges, under which the UNCF operates as well, has asked that this amendment be offered, and that is why I am offering it today.

I understand there is some disagreement about it from at least a school that happens to be in my area, from which the letter came. Be that as it may, this is a program to advance the opportunities for more Ph.D's to be granted across the board, particularly in science, math, and engineering.

You may recall, if you will, that when this bill left our committee it did not involve Morgan State University, which was added on the Senate side. So a part of this is a response to what came out of the Senate. I would indulge the gentleman to consider those arguments.

Mr. COLEMAN of Missouri. Well, Mr. Chairman, I appreciate that. The gentleman simply is naming all the black colleges that I know that exist are now going to be currently available for funding.

I think what the United Negro College Fund was attempting to do was to provide those funds to the institutions where they could get the most out of them.

I am not going to suggest that some of these schools are not good schools. They are good schools, and that is not to say they do not need the money, but there is only so much money to go around. Do you find benefits of having some of that money in 10 schools, as opposed to being spread out over 16 schools? I mean, that is the real question, and the community itself is divided.

The CHAIRMAN. Is there further debate on this amendment?

If not, the question is on the amendment offered by the gentleman from Louisiana [Mr. JEFFERSON].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. HENRY

Mr. HENRY. Mr. Chairman, I offer an amendment. The amendment has been printed in the RECORD.

The Clerk read as follows:

Amendment offered by Mr. HENRY: Page 383, strike line 9 and all that follows through line 3 on page 884 and insert the following:

"(2)(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.

Mr. HENRY (during the reading.) Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. FORD of Michigan. Mr. Chairman will the gentleman yield?

Mr. HENRY. I am pleased to yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Chairman, the gentleman and I probably have argued about this more than a dozen times. I know how hard he has worked to find an accommodation for the concerns I had, the NCAA had and that others.

I am satisfied that the gentleman from Michigan [Mr. HENRY] has worked out a sensible, workable compromise, to everybody's satisfaction. I would

like to accept it on behalf of the majority.

Mr. HENRY. Mr. Chairman, I would like to thank the gentleman for his comments, and simply point out that there are technical changes to the language reported by the committee dealing with the area of athletic disclosure.

I am most pleased in this instance that we have worked out the reporting language in such a way that the NCAA has indicated they will not oppose the language, as they did in the previous round when it went to the other body.

So Mr. Chairman, I thank the gentleman for his very kind support and his helpfulness in the committee as we dealt with this issue.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. HENRY].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. HENRY

Mr. HENRY. Mr. Chairman, I offer an amendment. The amendment has been printed in the RECORD.

The Clerk read as follows:

Amendment offered by Mr. HENRY: Page 358, strike line 12 and all that follows through line 9 on page 359 and insert the following:

(c) ELIMINATION OF ABILITY-TO-BENEFIT PROVISIONS FROM STUDENT ELIGIBILITY REQUIREMENTS.—

(1) REPEAL.—Subsection (d) of section 484 of the Act is repealed.

(2) CONFORMING AMENDMENTS.—

(A) Section 435 of the Act is amended—

(i) in subsection (b)(1), by striking ", or who are beyond the age of compulsory school attendance"; and

(ii) in subsection (c) by striking paragraph (1) and inserting the following:

"(1) admits as regular students only persons having secondary education, or the recognized equivalent of such certificate,".

(B) Section 481 of the Act is amended—

(i) by striking the second sentence of subsection (b); and

(ii) by striking the second sentence of subsection (c).

Mr. HENRY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objections.

Mr. HENRY. Mr. Chairman, in the Higher Education Assistance Act, over the years a rather broad and latitudinary policy of giving financial aid, be it Pell grants, Stafford loans or other financial support, has developed to the point that such moneys are increasingly being made available to students who have not completed high school or a GED degree.

Mr. Chairman, the name of this act is higher education reauthorization. The whole point of this bill is to provide academic financial assistance to those who have in fact proven that they have been able to succeed in the disciplines of securing a secondary education, which is the normal path to higher education opportunity.

One of the problems we have had in higher education, as we know, is an abysmal problem, in fact, an outrageous problem with defaults and, quite frankly, kiting on the system by certain institutions who have taken advantage of naive students, advertising on the back of matchbooks, "Enroll in XYZ course and in 6 weeks you will be making $40,000 a year."

I think we know that both in the Senate and in the House one of our primary purposes in this entire effort has been trying to restore integrity to these programs.

What this amendment will do will simply establish a baseline qualification for participation in these programs of either having in one's possession a high school diploma or a GED certificate.

I do this, Mr. Chairman, because there is not one State in the Union, not one, that does not have generally available opportunity for high school completion either of a normal degree, adult education progress or programs, or a GED program. A disproportionately high number of default rates exist in this client or student group.

The only GAO study we have of this was done in the State of California where it was found that 34 percent of those admitted into the programs under the ability to benefit provisions defaulted on their student loans.

Mr. Chairman, this is an area in which a disproportionately high rate of default exists. It is an area which is closely correlated and associated with institutions which have in fact kited the program in order to get institutional money, particularly in the Pell grant area.

I would remind Members that given the limited funds, whether it be in Stafford loans or Pell grants or whatever, every time you give money to someone who has not succumbed to the discipline of getting a GED or a high school diploma, you are by definition taking it away and reducing what is available to those who have.

Most private institutions and foundations when they make partnerships with their cities, as in the city of Detroit, for example, do so on the basis of saying, "We will help you get through college. We will help you get that advanced degree. All you have to do is demonstrate that you made it through high school."

That is really what we are saying. We are saying that, yes, we want the Government to facilitate your opportunity for higher education, but that ought to be contingent on something. That ought to be contingent on your having demonstrated the fact that you have at least gotten a GED degree.

What in the world are we calling these higher education assistance grants for students who do not even have high school equivalencies? If you are going to do that, fund it under the Elementary and Secondary Education Act, and call it what it is.

I am not saying that trying to help that pool of students is not important, but I am saying that as we seek to reward those students who have succeeded in high school, we ought not then to penalize them at the same time by shifting the money elsewhere. We ought to say to those students who are in high school, yes, we want to help you, but there are some disciplines you have to demonstrate.

□ 1220

You have to demonstrate that you have had the wherewithal to at least get a GED degree. I really do not see this as disentitling or adversely affecting any worthy student.

I want to remind you that the GED examination and adult continuing education programs are available in every State in the Union for free. And if it is for free, why should the Federal Government then be allowing a kind of double dip into something that is already available and free to that student?

So, let us call a spade a spade. This is either going to be higher education money or it is not.

We are also going to be serious about dealing with the problems of abuse where it has existed or we are not.

Mr. Chairman, I urge support for this very simple, clear-cut amendment.

Mr. FORD of Michigan. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I regret the necessity of opposing the gentleman from Michigan [Mr. HENRY], because he is a good friend and I have such high regard for him.

Let's look at what we are facing: All of you have heard about the Willow Run plant that is closing in my district, with 4,000 people, with good-paying industrial jobs, who are going to be on the street next year when that plant closes.

Now, I know already that a lot of those people can go into local community colleges, take a short-term course and come out of there as medical technicians, come out as technically trained people of one kind or another and be ready for the work force again.

Why should I tell somebody who is in his or her thirties, who has lost a good, solid job because a plant closed under him that he or she now has to go back to high school to get a diploma before going to the community college to get some training for a new job? That makes no sense to me at all.

And the ability-to-benefit requirement simply means that the school will determine that the student has enough training of one kind or another and reads and writes well enough and computes well enough to benefit from the course of study that the student wishes to pursue.

This bill before us has already been tightened up by the gentleman from California [Mr. MILLER] and the gentleman from Texas [Mr. COLEMAN], who have put language in the bill that requires that students admitted to school with the ability to benefit will have to have completed a State-approved education program.

The gentleman's language does damage in my district, and so I feel very strongly about it. It does damage in every district where people are going through the adjustment, not just of the recession but of the industrial remaking of this country, where steel mills, auto plants, rubber plants, just disappear overnight. Those people are going to be left high and dry if we adopt the gentleman's amendment.

Mr. Chairman, I cannot accept it.

He is also wrong when he suggests that students who use this way of getting into school are all going to community colleges.

Fifty-three percent of the students receiving aid under our program as ability-to-benefit students are in community colleges, 21 percent attend proprietary schools, and 26 percent attend other nonprofit schools.

So, a very small number of the people taking advantage of this provision in the law that has been there since 1972, I believe, to go to school are in the kind of schools that irritate the gentleman most.

The default rate of high school graduates is 14.4 percent; the default rate of GED students is 44.2 percent; the default rate for ability-to-benefit students is 56.2 percent. And 44 percent of GED postsecondary students receive student assistance. Thirty-seven percent of ability-to-benefit students receive student assistance.

If you look at the numbers, look at the circumstances and examine America in 1992 and not just through the perspective of some historical concept of what postsecondary education was all about, you will reject the gentleman's amendment.

You will remember, in the opening debate, I said that this bill will represent the biggest single opportunity the Members in this House will have in this Congress to vote for job training and job placement legislation. This is the biggest job training bill we are going to have before us. We are not just interested in sending people to law school, medical school, dental school or even to be teachers; we are interested in people learning what they need to know to make a living in a very fast and rapidly changing dynamic economy.

Mr. COLEMAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. FORD of Michigan. I yield to the gentleman from Missouri.

Mr. COLEMAN of Missouri. I thank the gentleman for yielding.

Mr. Chairman, the gentleman made some statistical remarks that I think are very important.

As I understand it, the ability-to-benefit section now requires an independently administered examination which is approved by the Secretary of Education, for starters.

Mr. FORD of Michigan. That is correct.

Mr. COLEMAN of Missouri. But the gentleman mentioned the fact that people who have GED's right now have a default rate of, I think, 44 percent.

Mr. FORD of Michigan. That is correct.

Mr. COLEMAN of Missouri. And people who have no GED and who do not have a high school graduation diploma have a default rate of just a little bit more than that, or——

Mr. FORD of Michigan. Fifty-six percent.

Mr. COLEMAN of Missouri. Fifty-six percent. So, the margin of that difference is really not significant when you look at the overall issue. We certainly do not want to put a disincentive for people to go and get a GED; for example, we should not put a disincentive in this bill for people who have no diploma or a GED to go ahead and improve and further their education.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. FORD] has expired.

(By unanimous consent Mr. FORD of Michigan was allowed to proceed for 30 additional seconds.)

Mr. FORD of Michigan. I yield further to the gentleman from Missouri.

Mr. COLEMAN of Missouri. I thank the gentleman for yielding further.

Mr. Chairman, there were problems with this section and through the various reconciliations. We have tried to tighten it down as much as possible, and still all these people participate. I certainly do not want the people to abuse the system and neither does the gentleman from Michigan [Mr. FORD] nor the gentleman from Michigan [Mr. HENRY].

I think we have gone to requiring a test to be approved by the Secretary. This is not just a test that is made up and thrown out in some Mickey Mouse deal; it has to be approved by the Secretary. So, I think there are safeguards in place, and I would reluctantly oppose my friend, the gentleman from Michigan [Mr. HENRY].

The CHAIRMAN. The time of the gentleman from Michigan [Mr. FORD] has again expired.

(By unanimous consent Mr. FORD of Michigan was allowed to proceed for 2 additional minutes.)

Mr. HENRY. Mr. Chairman, will the gentleman yield?

Mr. FORD of Michigan. I yield to the gentleman from Michigan.

Mr. HENRY. I thank the gentleman for yielding.

Mr. Chairman, I would simply submit that in any category of eligibility where over half the students default, you have a mismatch. I would simply also say that if you cannot require even a GED certificate where you are getting a 44-percent default rate, that is a very minimal standard. Nothing in this proposal would prohibit a community college from an open enrollment, using its own funds or using State funds; nothing would do that.

Nothing would prohibit a proprietary school from taking the students. But it would say we will not give a Federal guarantee, we will not give a direct Federal entitlement for a student who will not at least work their way up the GED standard.

The front page of yesterday's New York Times has a front-page story, "Trade Schools Near Success." This is the vote right now. Will they make it?

"Trade schools near success as they lobby for survival." This is where the problem has come, with a very distinct minority, I will admit. I want to make that clear because the majority of trade and proprietary schools provide a very important and cost-effective means of delivering education and job training to Americans.

It is the minority where the abuses have been most significant. Be it 60 Minutes, 20/20, the New York Times, the Senate committee report, it is only in a minority of schools where the abuses recurred, have occurred over and over again. I simply submit that if we cannot draw the line here, folks, then let us not talk about integrity in this system.

Mr. FORD of Michigan. You know, Mr. Chairman, I wish CARL PURSELL was on the floor. Although the Willow Run plant is in my district, Washtenaw Community College, which has already retrained all the people at Willow Run Transmission and is already cranking up with new curriculum offerings in anticipation of this work force coming to them when they close the doors, would not like to be called a trade and technical school. Washtenaw Community College is probably the biggest prep school for the University of Michigan in the State. They do an excellent job. You are going to cut off students going to that school with your amendment I oppose it.

Mr. GOODLING. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would hope there would be a better way that this could be done. I realize what the gentleman from Michigan is trying to do. But I have real concern about the 50 percent that are not doing well. We have, as has been mentioned, in law at the present time, a test approved by the Secretary that these people must pass. But when you look at the situation today, you are talking about probably some 30-year-olds, 35-year-olds, 40-year-olds, children not in a position to upgrade their ability to compete when we have the technology increasing constantly and they just positively have

to be able to somehow or other improve themselves. There has to be a better way to do this than this amendment would allow, because again I am very much concerned about those who could have dropped out of school for many reasons, with all sorts of problems, as I remember from my days as an educator.

□ 1230

And, Mr. Chairman, if they do not have an opportunity, and in many cases, as I said, if they have a husband and a family, or a wife and a family, they are going to need help, and, if they do not get that kind of help, then they become a very expensive drain on the taxpayer because they and their family alike will be the guests of taxpayers.

So, again I would hope there is a better way to do this than this amendment allows us to do.

Mr. GUNDERSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman and Members, while the gentleman from Michigan [Mr. FORD] is one of those I consider one of my best friends on the committee, I have to rise in strong, strong, strong opposition to this amendment.

As I said yesterday, and I want to repeat here again today, what we do in this legislation will be the most important thing this Congress does in terms of employment policy during the entire session because higher education today is not just the ability of a few people to go to some beautiful liberal arts colleges and universities and get a liberal arts degree in the classics. Those days are gone.

Lane Kirkland said a few years ago in the last recession, and the words are just as true, if not more true, today, that the reality of today's work force is the average person entering that work force will have four different careers in six different jobs in their lifetimes. Secretary Alexander has continually tried to push the whole concept of lifelong learning. We are going to take many steps in this reauthorization bill to promote lifelong learning, and yet this amendment, if adopted, would send the signal to everybody in the work force today that, if they are laid off, if they become the victim as a displaced homemaker, if they need training or retraining, we have just established the Federal policy that says that type of basic help is no longer available.

Mr. Chairman, in an ideal world we would love that everyone would complete high school. In an ideal world we would love that everyone would get a GED. But the reality is that the big movement in expansion in higher education today is not at the 4-year universities. The expansion in higher education today is in technical training and retraining, and this bill is our one way, outside of unemployment compensation, to help those individuals get the kind of skills they need to get a new job.

As the chairman, the gentleman from Michigan [Mr. FORD] mentioned, I happen to have in western Wisconsin at the present time 1,300 people losing their job at a Uniroyal tire plant. Some of these people do not happen to have college degrees or GED's, but they are back in technical schools today getting new training to become viable parts of our work force. We have at the same time in western Wisconsin major displacement in agriculture where family farmers no longer are able to keep those farm jobs. Some of these men and women do not have high school diplomas or GED's, but they are back at technical colleges getting new skills today in order to become viable parts of our work force, and that says nothing about the displaced homemaker who needs to go and get a career of her own, it says nothing about the person who has English as a second language who finds, very frankly, the GED a major hurdle to them.

This amendment sends a signal of elitism in the area of higher education. It sends a signal of displacement and disregard in the area of training and retraining like nothing else we can do, and I say to my colleagues, "Whether you're a Republican or Democrat, liberal or conservative, this is the amendment that will determine whether you believe we need a comprehensive training and retraining employment policy in the future. I beg of you, reject this amendment, and reject it handily."

Mr. HENRY. Mr. Chairman, will the gentleman yield?

Mr. GUNDERSON. I yield to the gentleman from Michigan.

Mr. HENRY. The typical ability-to-benefit student is not the 50-year-old factory worker who has been laid off. Statistically the typical ability-to-benefit student is a young high school dropout being promised cheap grace by a few schools. They say, "We can train you and get you a job," even though they have never even gotten up to a GED level. How can it be said they are going to bring someone up? What they are doing is arguing to cheapen academic standards, not bring up academic performance. This bill is not meant to be aid to institutions, which I support, but aid to students who can already get a free education for GED and high school training. Let them get that step, and then give them the aid for the advanced training.

Mr. GUNDERSON. Mr. Chairman, the gentleman from Michigan [Mr. HENRY] bring up a good point, but, if we have problem schools out there, we ought to deal with those problem schools. We got the mechanisms in the bill to deal with those schools. We ought to not deny those 200,000 ability-to-benefit students today the opportunity to get training and retraining just because there are a few bad schools and institutions out there. Go after the problems. Do not destroy any potential for future viability in the work force of those innocent victims.

As the gentleman knows and I know, the average person that he talked about who dropped out of high school, some of those women dropped out because they unfortunately became pregnant.

Mr. HENRY. That is right.

Mr. GUNDERSON. And they now do not want to go back to high school, and they do not want——

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

(By unanimous consent, Mr. GUNDERSON was allowed to proceed for 1 additional minute.)

Mr. GUNDERSON. They do not want to go back to high school. Some of them are pursuing careers that frankly do not need that GED right now. They need specialized training, and, if we can give them the opportunity for that training, they can get on the payrolls, and get off government assistance and have the pride and integrity that that provides. This amendment will destroy that opportunity.

Mr. MILLER of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman and members of the committee, I think our colleague, the gentleman from Pennsylvania [Mr. GOODLING], put his finger on this, that we must be terribly concerned about the other half. We are terribly concerned about the default rate that the gentleman from Michigan [Mr. HENRY] has brought to our attention, both in the committee and here on the floor, and we must direct the resource and accountability at those schools, and at those young people and at those individuals that are using that program.

But it has been said here by the gentleman from Wisconsin [Mr. GUNDERSON], and the gentleman from Michigan [Mr. FORD] and others that this country is going through a major economic change. This country has been the beneficiary of hundreds of thousands and millions of people, many of whom who did not finish high school. We keep hearing about the dropout rates of 40 percent, and 30 percent, and 25 percent. Those people did not disappear. Many of them entered apprentice programs and are now sheet metal workers, are now welders. They are working in Groton, CT; they are working in Palmdale, CA. They have been building the B–1, and B–2, and the F–15 and the submarines. They are skilled people. Their jobs are about to disappear.

In California, anticipating some of this, our State college system, our university system, our community college system has tried to put together a system that would allow those people to come back into the education system

at the community colleges, allow them to be retrained, to upgrade their skills so they can move on to a new job or hold on to the job that they have. This program allows for that.

Mr. Chairman, what this amendment would do is wipe all of that out. Every person who did not get a college education is not sitting on a street corner. Hundreds and thousands of them are working today, and they have been working for years. Every person that did not get a GED is not hanging out drinking wine on the corner. They are working and supporting families. This amendment would say that they could not go get a loan to retrain themselves to hold on to their family homes, to hold on to an occupation to provide the economic means for their family to stay together. This is one of the few things we are offering these hundreds and thousands of people that find themselves in a position where their job will no longer exist. Some of them, fortunately, are on notice. They have been told that in 2 years or 3 years this line is going to shut down or this facility is no longer going to be part of the Defense Establishment.

□ 1240

They now have the opportunity to go to a community college and get the skills and the training which they need, and many do so. This amendment would deny them that opportunity.

Mr. Chairman, these are our constituents. They are there by a whole series of circumstances: It may be divorce, it may be teenage pregnancy, but whatever it is, let us not pretend that they are not out there participating in the American economic system, working their fingers to the bone and concerned about the future of their families.

The gentleman from Pennsylvania [Mr. GOODLING] is right. We must be terribly concerned about those people because they are struggling and striving to stay in the American economic system.

Mr. COLEMAN of Texas. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Texas.

Mr. COLEMAN of Texas. Mr. Chairman, I rise today to commend the diligent work of my colleague, Mr. MILLER, in his efforts to ensure access to higher education for all Americans, regardless of gender or ethnicity. Mr. MILLER and the committee have returned the process of identifying those students who can benefit from the postsecondary education to the experts—the educators. To provide a little background to the Members: Current law on students who have not completed high school or earned their GED certificate has been interpreted by the Department of Education to require postsecondary institutions to use a single standardized test to determine a prospective student's ability to benefit from higher education. As you all know, there are a multitude of problems inherent in the use of an unvalidated standardized test to determine a student's college ability. These problems resulted in many students who actually could succeed in college being denied that opportunity. Minority students were especially hard hit by this unfair testing.

Fortunately, my colleague recognized the shortcomings of the testing requirement, and drafted into the higher education amendments a provision that looks at a variety of factors in determining whether a student will be able to benefit from a college education. I wholeheartedly endorse the use of this comprehensive matriculation process rather than a single test. In support of Mr. MILLER's proposal, I would like to cite briefly the results of three national surveys conducted by the American Association of Community and Junior Colleges in conjunction with El Paso Community College, the California Community College system, and the National Center for Fair and Open Testing.

The findings reveal that prior to the Department of Education's decision, which denied many of these students the opportunity for a higher education, ability-to-benefit students were as successful in college as students with high school diplomas and GED certificates. Success was measured by the percent of students making satisfactory academic progress as measured by their college. The preliminary findings show little difference in the performance of students entering college with a high school diploma, a GED certificate, or a favorable ability to benefit assessment. The study suggests that motivation is more important than all other factors in determining student success. These studies provide that the comprehensive college matriculation processes being used by colleges before the Department of Education's decision not only avoided the bias and inaccuracy of standardized tests, but also identified students who could successfully pursue a college course of study. This study, entitled "Ability to Benefit: Resurrecting the Dream—Results and Findings of a National Survey," is available from the American Association of Community and Junior Colleges.

Corroborating these findings was a study completed by the El Paso Community College in which the cumulative grade point average for ability-to-benefit students was comparable to that of high school graduates and GED students. As more of these case studies are completed, the findings will be included in the report.

Again, I commend my colleague for his insight on this issue, and give my unqualified support for his proposal.

The CHAIRMAN. The time of the gentleman from California [Mr. MILLER] has expired.

(By unanimous consent, Mr. MILLER of California was allowed to proceed for 2 additional minutes.)

Mr. MILLER of California. Mr. Chairman, first of all, let me say that I thank my colleague, the gentleman from Texas [Mr. COLEMAN] for his efforts and for the work that has been done at El Paso Community College to study this problem and to look at these students and find out there is not the kind of distinction that justifies throwing them all out the window and taking away their economic ability to support their families.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, I thank the gentleman for yielding.

My understanding is that this amendment would be devastating to the community college system in California, which prides itself, and rightly so, on serving a wide variety of people, many of whom have never graduated from high school and who discovered at a later age that they could benefit from this, and indeed they do benefit. So I would certainly join the gentleman in opposing the amendment.

Mr. MILLER of California. Mr. Chairman, I thank the gentleman from California. He quite correctly characterizes the amendment.

Mr. Chairman, let me say something else. Unfortunately, this is a tragic circumstance, and it is an unfortunate admission. Let us not pretend in this day and age that the process by which people get a high school diploma today guarantees any greater success. It should, but it does not. Let us not pretend that the process by which people get a GED degree guarantees success or differentiates those people from those who do not have one. As Mr. COLEMAN has pointed out, they look as much like the people who have high school diplomas and GED's as the people who do not. As a matter of fact, the default rate is about the same. The default rate must be addressed, but we cannot punish these people.

I think we have worked out an agreement with the gentleman from Pennsylvania [Mr. GOODLING], the gentleman from Missouri [Mr. COLEMAN], the gentleman from Michigan [Mr. FORD], and the Secretary's office, and others, to put accountability in, and to give some authority to making the test independent and putting it in. We are trying to address what the gentleman from Michigan [Mr. HENRY] wants to address, but very simply, this amendment is too broad. In these economic times, when again this Government does not do a lot for people who lose their jobs, unfortunately, one of the few things that is available is an unemployed check and the possibility of getting new skills to go back to work.

As so many people have found out in this recession, they are a paycheck

away from poverty, from food stamps, from losing their house, and losing their children's education. We ought to do all we can to see that that is not the case.

Mr. Chairman, this bill does that, and the amendment, unfortunately, as currently drawn, is simply detrimental to that effort to try to maintain the integrity of these families.

Mr. Chairman, I rise in opposition to Mr. HENRY's amendment to strike the ability-to-benefit section from the higher education bill. This is the same amendment that Mr. HENRY offered in the committee markup, which the committee rejected.

The committee bill maintains the ability-to-benefit section, in recognition of the open enrollment programs of many community colleges throughout the country. The committee accepted an amendment I offered which permits the Secretary of Education to recognize a State-approval process for determining ability to benefit in lieu of the test requirement. This State-approved system must meet the standards which the Secretary will establish.

I want to thank my colleagues on both sides of the aisle for their assistance in helping us to resolve the problem of what to do about providing Federal financial aid to students who did not have the good fortune to be able to graduate from high school or obtain a general education development [GED] certificate before enrolling in a higher education institution.

Let me give you a little background on the issue of ability-to-benefit students. In late 1990, the Department of Education issued a proposed regulation which would have required all students to pass a single standardized test in order to qualify for Federal financial aid, and would have jeopardized the eligibility of an institution to participate in Federal financial aid programs. I introduced H.R. 907 in February of last year because California's 107 public community colleges, by State law, must accept anyone over the age of 18 who can benefit from the instruction offered in their programs, and are—also by State law—prohibited from turning any student away based on a single test.

The colleges and the State together—wanting to help all students succeed, not just those without high school diplomas or GED's—spent over $180 million and nearly 10 years to develop a system called matriculation to do just that. The system has only been fully operative for 1 year, but preliminary data show conclusively that, first, students receiving the services of the matriculation program stay in school to complete their programs, and second, achieve higher grade point averages than those who do not receive matriculation services.

Services provided through the matriculation system include helping the student with the admission process, orienting the student to the college, assessment of the student's abilities, helping the student to establish educational goals, counseling regarding appropriate classes, courses, and programs to take to meet the goals, monitoring the student's progress, and intervention—or calling the student in for counseling—if it appears that he or she is not making satisfactory academic progress.

In the Education and Labor Committee, we added that system as an alternative to the single standardized test as a way to determine students' ability to succeed. In the committee report, we further singled out the California community colleges' matriculation system as exemplary, and instruct the Secretary of Education to use it as a model when developing regulations for other States which want to concentrate their efforts on helping students to succeed.

Why all this effort on helping students succeed? Because thousands of students graduating from high school across the Nation cannot read adequately or do mathematics at the college level. Because our national postsecondary education system is called on daily to help hundreds of thousands of economically disadvantaged students to become productive members of the American work force rather than recipients of welfare payments. Because thousands of older learners who may have had to drop out of high school became too busy earning a living to earn a GED. Because across this Nation, we have thousands upon thousands of refugees and immigrants who come to us deficient in English, but otherwise able to deal with collegiate coursework.

Efforts will be made to eliminate financial aid for non-high school graduates on the grounds that these are the people who do not succeed in college and subsequently default on their student loans. I am not aware of a single study which links student loan defaults to ability-to-benefit students. In fact, as my colleague from Texas, Mr. RON COLEMAN, will point out, a most comprehensive study done by the El Paso Community College in his district reveals that by every measure of success, ability-to-benefit students were as successful in college as students with high school diplomas. It is not successful students who are the defaulters, it is those who are enticed into schools with high tuition and few services who drop out who default on their loans. I commend Mr. COLEMAN and the El Paso Community College for their leadership in exploring this hitherto neglected area, and hope that he will have some words to say about the study.

And while I am talking about helping students succeed, let me also place in the RECORD a letter from Dr. David Mertes, chancellor of the California community college system, to Chairman FORD and members of the California delegation, offering a compromise student aid plan in which the central focus is not only providing financial assistance, but helping students succeed in college.

Chancellor Mertes suggests that colleges which want to participate in Federal student financial aid programs be required to have in place a specific system for helping their students succeed in the first year of college. It is the first year, we all know, which is the most difficult for most students, especially those who are the first ones ever in their families to attend college.

He proposed a guaranteed Pell grant for the student's first year, making the institution responsible for assessing the student's capabilities, providing counseling as to appropriate educational goals and programs, guidance, monitoring, and otherwise aiding the student toward the successful completion of 1 full year of postsecondary study. This would require a substantial public investment in the first-year student, but far more important, it would require every institution whose students receive Federal financial assistance to be sure that that investment of public funds is given every chance to succeed.

At the beginning of the student's second year, Dr. Mertes proposes that the institution be empowered to provide for a loan to the student, perhaps—depending on the level of that year's appropriation—even lowering the amount of the Pell grant, thus requiring the student, having completed 1 year of successful college work, to begin investing in his or her own future.

Whether they are high school graduates or not, students in postsecondary education institutions deserve to have all the resources that can be mustered to help them succeed.

CALIFORNIA COMMUNITY COLLEGES,
Sacramento, CA, January 24, 1992.

HON. WILLIAM F. FORD,
Chairman, House Committee on Education and Labor, Washington, DC.

DEAR CHAIRMAN FORD: I am writing to alert you that I have recommended to the presidents of the 107 California Community Colleges that they consider withdrawing from the federal guaranteed student loan programs as of the Fall 1992.

After serious consideration, I have come to the conclusion that the potential liabilities faced by a community college solely on the basis of its default rate, together with the excessive long-term debt burden placed on first-year students, make our continued participation untenable.

This is a difficult decision to make because 17,000 Californian Community College students received loans through the guaranteed loan programs last year, and federal policy does not provide the dollars in non-loan aid programs to offer them an alternative. As you well know, to compensate for insufficient funding in the grant and work-study programs, the loan programs, which were created for middle-income families, increasingly have been directed to low-income students. As responsible low-cost institutions serving predominantly low-income students, the California Community Colleges have not been able to fully use the current loan programs. Although most of our 200,000 state and federal financial aid recipients (including 97,000 Pell Grant recipients) are eligible for loans, colleges discourage borrowing as the only way to prevent defaults.

There is a widespread agreement in the education community that a goal of this reauthorization of the Higher Education Act is to address the imbalance between loans and grants in Title IV aid provided to our nation's students. Consequently, the California Community Colleges asks your assistance, as reauthorization of the Higher Education Act comes closer to reality, in enacting the following provisions.

1. Establish the maximum Pell Grant at $4,500, and permit use of the entire amount to meet a student's educational costs. The tuition-sensitive Pell Grant maximum currently proposed in both H.R. 3553 and S. 1150 will not significantly increase Pell Grants for students at low-cost colleges causing continued reliance on loans for those very poorest students. Borrowing could be virtually eliminated among our first-year students if the full Pell Grant maximum were available to them for books, supplies, child care, and subsistence costs, as well as tuition and fees.

2. Significantly increase the College Work-Study Program, to help those who are able to spend time outside of their educational programs in related jobs (I believe that the

business community would assist with expansion of this program).

3. Prohibit loans to first-year students except in extenuating circumstances to be determined by college personnel working individually with each student.

4. Enact a pilot direct-loan program that allows institutions to determine who receives loans, based on a student's successful completion of the first year. The beginning of the second year is a more appropriate time to make loans to community college students. The California Community Colleges would volunteer to participate in any such pilot program, either as an entire system or at selected colleges throughout the state.

I am asking for your help because the status quo is no longer acceptable, given the potential impact on our students and colleges. During the past year, nine California Community Colleges were threatened with termination from the loan programs because of high default rates. Our experience demonstrates a significant amount of faulty data is used to determine the default rates. Eight of the nine threatened colleges challenged the default rate attributed to them. Six have so far been found to be below the 35% cutoff rate attributed to them by the Department of Education; the other two are still in the appeal process. The ninth institution has voluntarily withdrawn from the loan programs for other reasons. But it has taken six months of arduous efforts to pursue these appeals, and new default rates will be released in April.

As the default rate cutoff point is lowered, additional colleges are at risk of losing all Title IV funds; and even some vocational education funds have been threatened. I don't want to see another college in this predicament, and I don't want students to continue to be burdened with long-term debt before they are certain they can succeed in college. I cannot continue to allow our colleges and students to be put in jeopardy through the loan programs when there are better alternatives.

I would be very happy to talk with you or your staff, or to appear before your Committee personally to more fully explain these proposals. Please feel free to call me at (916) 322-4005 at your convenience.

Sincerely,

DAVID MERTES,
Chancellor.

Mr. CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. HENRY].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. HENRY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 28, noes 385, not voting 21, as follows:

[Roll No. 56]

AYES—28

Allard	Gradison	Sensenbrenner
Ballenger	Hefley	Shaw
Barton	Henry	Stearns
Broomfield	Hopkins	Taylor (NC)
Coughlin	Ireland	Upton
DeLay	Johnson (TX)	Walker
Doolittle	McCrery	Zeliff
Gekas	McMillan (NC)	Zimmer
Gingrich	Petri	
Goss	Roukema	

NOES—385

Abercrombie	Edwards (OK)	LaRocco
Ackerman	Edwards (TX)	Laughlin
Alexander	Emerson	Leach
Allen	Engel	Lehman (CA)
Anderson	English	Lehman (FL)
Andrews (ME)	Erdreich	Lent
Andrews (NJ)	Espy	Levin (MI)
Andrews (TX)	Evans	Lewis (CA)
Annunzio	Fascell	Lewis (FL)
Anthony	Fawell	Lewis (GA)
Applegate	Fazio	Lightfoot
Archer	Feighan	Lipinski
Aspin	Fields	Livingston
Atkins	Fish	Lloyd
Bacchus	Flake	Long
Baker	Foglietta	Lowery (CA)
Barnard	Ford (MI)	Lowey (NY)
Barrett	Ford (TN)	Luken
Bateman	Frank (MA)	Machtley
Bellenson	Franks (CT)	Manton
Bennett	Frost	Markey
Bentley	Gallegly	Marlenee
Bereuter	Gallo	Martin
Berman	Gaydos	Matsui
Bevill	Gejdenson	Mavroules
Bilbray	Gephardt	Mazzoli
Bilirakis	Geren	McCandless
Blackwell	Gibbons	McCollum
Bliley	Gilchrest	McCurdy
Boehlert	Gillmor	McDade
Boehner	Gilman	McDermott
Bonior	Glickman	McEwen
Borski	Gonzalez	McGrath
Boucher	Goodling	McHugh
Boxer	Gordon	McMillen (MD)
Brewster	Grandy	McNulty
Brooks	Green	Meyers
Brown	Guarini	Mfume
Bruce	Gunderson	Michel
Bryant	Hall (OH)	Miller (CA)
Bunning	Hall (TX)	Miller (OH)
Burton	Hamilton	Mineta
Bustamante	Hammerschmidt	Mink
Byron	Hancock	Moakley
Callahan	Hansen	Molinari
Camp	Harris	Mollohan
Campbell (CA)	Hastert	Montgomery
Campbell (CO)	Hatcher	Moody
Cardin	Hayes (IL)	Moorhead
Carper	Hayes (LA)	Moran
Carr	Hefner	Morella
Chandler	Herger	Murphy
Chapman	Hertel	Murtha
Clement	Hoagland	Myers
Clinger	Hobson	Nagle
Coble	Hochbrueckner	Natcher
Coleman (MO)	Holloway	Neal (MA)
Coleman (TX)	Horn	Neal (NC)
Collins (IL)	Horton	Nichols
Collins (MI)	Houghton	Nowak
Combest	Hoyer	Nussle
Condit	Hubbard	Oakar
Conyers	Huckaby	Oberstar
Cooper	Hughes	Obey
Costello	Hunter	Olin
Cox (CA)	Hutto	Olver
Cox (IL)	Hyde	Ortiz
Coyne	Inhofe	Orton
Cramer	Jacobs	Owens (NY)
Crane	James	Owens (UT)
Cunningham	Jefferson	Oxley
Darden	Johnson (CT)	Packard
Davis	Johnson (SD)	Pallone
de la Garza	Johnston	Panetta
DeFazio	Jones (GA)	Parker
DeLauro	Jones (NC)	Pastor
Dellums	Jontz	Patterson
Derrick	Kanjorski	Paxon
Dickinson	Kaptur	Payne (NJ)
Dicks	Kasich	Payne (VA)
Dingell	Kennedy	Pease
Dixon	Kennelly	Pelosi
Dooley	Kildee	Penny
Dorgan (ND)	Kleczka	Perkins
Dornan (CA)	Klug	Peterson (MN)
Downey	Kolbe	Pickett
Dreier	Kolter	Pickle
Duncan	Kopetski	Porter
Durbin	Kostmayer	Poshard
Dwyer	Kyl	Price
Dymally	LaFalce	Pursell
Early	Lagomarsino	Quillen
Eckart	Lancaster	Rahall
Edwards (CA)	Lantos	Ramstad
Rangel	Schumer	Taylor (MS)
Ravenel	Serrano	Thomas (CA)
Ray	Sharp	Thomas (WY)
Reed	Shays	Thornton
Regula	Shuster	Torres
Rhodes	Sikorski	Towns
Richardson	Sisisky	Traficant
Ridge	Skaggs	Traxler
Riggs	Skeen	Unsoeld
Rinaldo	Skelton	Valentine
Ritter	Slattery	Vander Jagt
Roberts	Slaughter	Vento
Roe	Smith (FL)	Volkmer
Roemer	Smith (IA)	Vucanovich
Rogers	Smith (NJ)	Walsh
Rohrabacher	Smith (OR)	Washington
Ros-Lehtinen	Smith (TX)	Waters
Rose	Snowe	Waxman
Rostenkowski	Solarz	Weber
Roth	Solomon	Weiss
Rowland	Spence	Weldon
Roybal	Spratt	Wheat
Sabo	Staggers	Williams
Sanders	Stallings	Wilson
Sangmeister	Stenholm	Wise
Santorum	Stokes	Wolf
Sarpalius	Studds	Wolpe
Savage	Stump	Wyden
Sawyer	Sundquist	Wylie
Saxton	Swett	Yates
Schaefer	Swift	Yatron
Scheuer	Synar	Young (AK)
Schiff	Tallon	Young (FL)
Schroeder	Tanner	
Schulze	Tauzin	

NOT VOTING—21

Armey	Jenkins	Peterson (FL)
AuCoin	Levine (CA)	Russo
Browder	Martinez	Stark
Clay	McCloskey	Thomas (GA)
Dannemeyer	Miller (WA)	Torricelli
Donnelly	Morrison	Visclosky
Ewing	Mrazek	Whitten

□ 1308

Messrs. HOBSON, EDWARDS of Oklahoma, ROBERTS, McCANDLESS, JOHNSON of South Dakota, ACKERMAN, HYDE, and HOLLOWAY changed their vote from "aye" to "no."

Mr. ZELIFF changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MRS. MINK

Mrs. MINK. Mr. Chairman, I offer an amendment, which is on page 169, line 23.

Mr. COLEMAN of Missouri. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. The gentleman from Missouri reserves a point of order on the amendment.

The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mrs. MINK: Page 169, line 23, strike "and"; on page 170, line 5, insert "and" after the semicolon; and after line 5, insert the following.

"(iii) not in excess of 2 years during which the borrower is serving an internship, the successful completion of which is required in order to receive professional recognition required to begin professional practice or service, or serving in an internship or residency program leading to a degree or certificate awarded by an institution of higher education, a hospital, or a health care facility that offers post-graduate training;".

Page 170, line 16, strike "and"; on line 23, insert "and" after the semicolon; and after line 23, insert the following.

"(iii) not in excess of 2 years during which the borrower is serving an internship, the successful completion of which is required in order to receive professional recognition required to begin professional practice or service, or serving in an internship or residency program leading to a degree or certificate awarded by an institution of higher education, a hospital, or a health care facility that offers post-graduate training;".

□ 1310

Mrs. MINK (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Hawaii?

There was no objection.

Mrs. MINK. Mr. Chairman, I thank the gentleman from Missouri for reserving the point of order, allowing me the opportunity to discuss the amendment which I have published in the RECORD along with my colleague, the gentleman from New York [Mr. ENGEL].

This bill that we are debating today is undoubtedly the most important piece of legislation for the future of this country. It provides access to education to untold tens of thousands of students all across the country in all varieties of circumstances. We have improved the student financial aid program enormously and widened the opportunities for young people to achieve the kinds of career and education to which this country, I believe, entitles these young people.

It has been my privilege, Mr. Chairman, to serve on this committee and to be a part of the development of the contents and policies of this legislation, and I fully support the product of this committee's endeavor, and I am a cosponsor and am an original cosponsor of the new bill which was introduced to be substituted in order to meet the objections of the Budget Committee.

Subsequent to the introduction of this final bill it has come to my attention through numerous inquiries that I have received and letters from all across the country that one of the measures that we included in the bill would greatly harm students who are attending medical schools and go on to internships and residencies. The purpose of the legislation was to try to clarify all of the complicated requirements in the different levels of deferments which the previous law entitled. I believe there were some 13 or 14 different categories. This will streamline those deferments and requires three areas which must be either presented for a deferment or proven. One has to do with economic need, the other has to do with being in school, and the third has to do with being unemployed.

In the special case of medical students in internships and residencies they would not be able to qualify in many circumstances because they are not in school. They are not unemployed in the sense of the meaning of this section. So I believe that these students who are interns and residents, it is a basic part of the development of their professional careers, and they ought to have a special section in the bill which would provide for an automatic deferment for these students who are interns and residents.

So it was hoped that we would be able to offer this amendment to clarify this point. Many of the interns and residents tell me they are not paying tuition. There is a section in the committee report that says "in school" will be defined as those persons who pay tuition, but many of these persons do not. So I fear that while these students are still engaged in their professional education as interns and residents they are going to be forced to pay their loans back when they can ill afford it, and these loans probably amount to an average of $50,000.

So it is a point that I feel very strongly about.

The CHAIRMAN. The time of the gentlewoman from Hawaii [Mrs. MINK] has expired.

(On request of Mr. ENGEL and by unanimous consent, Mrs. MINK was allowed to proceed for 3 additional minutes.)

Mr. ENGEL. Mr. Chairman, will the gentlewoman yield?

Mrs. MINK. I yield to the gentleman from New York, who also introduced an amendment which was printed in the CONGRESSIONAL RECORD.

Mr. ENGEL. Mr. Chairman, I rise today to join my colleague, Congresswoman MINK, in offering an amendment to H.R. 3553, the Higher Education Reauthorization Act. Our amendment would reinstate the deferment of student loans to individuals participating in medical residency or intern programs for up to 2 years.

While the current version of H.R. 3553 was intended to simplify the loan deferment system, I feel that once implemented, the bill would have a detrimental impact on the entire medical profession. The new provision replaces the 13 current deferments in the Student Loan System with three broad deferment eligibility categories: To those student who are still enrolled in school; to those individuals who are unemployed; and to those individuals who are experiencing economic hardship.

The last criterion, especially, is a source of great concern. H.R. 3553 directs the Secretary of Education to consider a borrower's debt-to-income ratio in promulgating regulations to implement the economic hardship provision. In addition, I understand that it is intended that the borrower's living expenses, including mortgage, rent, food, clothing, et cetera, be included as debt in defining a borrower's economic hardship.

As a representative from an area with one of the highest living costs in the entire country, I am highly concerned that this new formula developed to determine economic hardship will not be fair. The current provision opens many doors and leaves many questions unanswered. How will the borrower's living expenses be calculated? How often will the formula be updated? And how many individuals will fall in between the cracks of the Department of Education's economic hardship formula? Are we willing to take these risks? Certainly, the intent surrounding the current provisions in H.R. 3553 is fair. However, I have serious doubts regarding its fair implementation. As my colleagues know, frequently the intent of Congress' legislation is lost in administrative interpretation.

Serving a medical residency is one of the final components in a physician's formal training and the duration of the residency program varies between 3 and 7 years. These are several years that consist of extremely hard work and long hours. Unfortunately, if our amendment is not adopted, it may also be years of unnecessary and overwhelming economic hardship for thousands of medical residents.

Today, the costs of a medical education are rising at an alarming rate. Currently, annual tuition costs range from $5,000 to almost $28,000. Without Federal financial assistance, many excellent doctors would be denied the opportunity to pursue a career in medicine. In 1990, for instance, 79 percent of medical school graduates assumed educational debt owing an average amount of $46,224. In addition, 12 percent of these 1990 graduates incurred debt in excess of $75,000. Minority and low-income students, especially, are dependent on borrowed money to complete their medical education. In 1990, minority students incurred an average debt of $51,000, and 21 percent of them had debts of over $75,000.

As a Representative of Bronx, NY, I speak for the hundreds of medical students currently enrolled at the Albert Einstein Schools of Medicine. I also represent the thousands of doctors that teach and work at the Albert Einstein College of Medicine and those who serve at the North Central Bronx, Montefiore, and Bronx-Lebanon Hospitals, as well as those physicians in private practice. I have received hundreds of letters from medical students, frantically asking me to do something to assure that they will not be forced to face overwhelming economic circumstances. Dr. Dawnielle Kerner writes,

As a resident at Bronx-Lebanon Hospital Center I take home $1,800 a month. If the rules change my loan payments will be almost $1,200 a month. That would leave $600 a month to cover rent, food, and all other living expenses. My apartment is rent subsidized and I still pay $500 a month. In New York City $100 does not go far.

Dr. Mark Kerner, a resident in orthopedic surgery at Montefiore Hospital writes,

I come from a middle class family, and though I have been able to pay for part of my education through work study and scholarships, my indebtedness at this time exceeds $100,000—my current monthly take-home income is $1,600. My payments on these loans would exceed this amount. It would be impossible for me to even purchase books.

And Dawn Gangi, a second-year student at Albert Einstein College of Medicine writes,

Not only am I concerned for myself and my ability to repay these loans, but I fear for the future of health care in this Nation. As the incentives to go into medicine become fewer and fewer, and the prospects of struggling for years after school become greater and greater, I can only wonder what caliber of people will go into the field.

I could go on. I have hundreds more letters from physicians and medical students expressing these same feelings of concern and anxiety. Not only are they troubled by the economic hardships they and their colleagues will face, they are also concerned for the future quality of American health care.

Mr. Chairman, I urge my colleagues to support this amendment. The future of the entire medical profession and the economic security for thousands of medical students, residents, and their dependents relies on its passage.

The CHAIRMAN. The time of the gentlewoman from Hawaii [Mrs. MINK] has again expired.

(By unanimous consent Mrs. MINK was allowed to proceed for 3 additional minutes.)

Mr. ROWLAND. Mr. Chairman, will the gentlewoman yield?

Mrs. MINK. I yield to the gentleman from Georgia.

Mr. ROWLAND. Mr. Chairman, I thank the gentlewoman for yielding.

Mr. Chairman, I rise in support of the amendment submitted by my colleagues, Mr. ENGEL and Mrs. MINK. This amendment restores the 2-year loan deferment for medical residents.

In 1990, over 75 percent of all medical school graduates had used educational loans. At Mercer University Medical School in Macon, GA, 90 to 95 percent of all students are attending medical school with the assistance of educational loans. Their debts have grown from an average of $39,000 in 1989 to an average of $83,000 in 1992. More than a few students in this group of 1992 graduates will have debts in excess of $100,000. I am assured that this pattern of debt growth is reflected by other medical school graduates in the State.

□ 1320

Mr. Chairman, the monthly payment on a debt of $83,000 is nearly $1,500. A first year medical resident works approximately 80 hours per week for a salary that averages $23,000. These residents most often support not only themselves and but also their families. As a physician, I urge you to recognize the significant sacrifice the immediate repayment of student loans has on the resident and his family.

Mr. Chairman, I can recall that when I was in my residency in 1952 to 1954, I had made a private loan, but the payment for this was deferred until after I finished my residency. I had accumulated a debt of about $10,000 at that time which is equal to about $100,000 now. I could not have stayed in that residency program had I had to repay that loan while I was undergoing my training.

Without loan deferment, residents in many cases will be forced to choose between necessary family support or default on an existing debt.

Also, since a number of young physicians and students are closely following the progress of this debate, let us also emphasize strongly, that we expect these young physicians to fulfill our expectation that loan repayment begins immediately after loan deferment.

Mr. Chairman, I urge my colleagues to support the restoration of the 2-year loan deferment for medical school graduates in residency training programs.

The CHAIRMAN. The time of the gentlewoman from Hawaii [Mrs. MINK] has again expired.

Mr. COLEMAN of Missouri. Mr. Chairman, I would like to pursue my point of order.

The CHAIRMAN. The gentleman may speak to his point of order.

Mrs. MINK. Mr. Chairman, if the gentleman would yield on his point of order, I would like to ask unanimous consent for 2 additional minutes to yield to my committee colleague, the gentleman from Wisconsin [Mr. KLUG].

The CHAIRMAN. Is there objection to the request of the gentlewoman from Hawaii?

Mr. COLEMAN of Missouri. Mr. Chairman, reserving the right to object to the gentlewoman's unanimous-consent request, let me say here that I do not object to the 2 minutes for the gentleman from Wisconsin [Mr. KLUG], but I just talked to the chairman. He said we are going to be in session here today until we finish this bill. If we are going to take 10 to 15 minutes for an amendment which is going to be ruled out of order, we are not going to be finished tonight until 4 or 5 in the morning, let along 5 o'clock in the afternoon, so I just say that not specifically to this one, but this is an example of how we get bogged down. So we ought to go through these things rather rapidly where we do not have any disagreement where we know a point of order is going to lie.

Mr. Chairman, I withdraw my reservation of objection on the unanimous-consent request for the gentlewoman to extend time for 2 minutes.

Mr. Chairman, I reserve my right to the point or order.

(By unanimous consent, Mrs. MINK was allowed to proceed for 2 additional minutes.)

Mrs. MINK. Mr. Chairman, I yield to the gentleman from Wisconsin [Mr. KLUG].

Mr. KLUG. Mr. Chairman, I thank the gentlewoman, who is on the committee as well, for yielding.

I understand the reservations of some people on the Committee on Education and Labor itself about costs associated with expanding some type of entitlement or deferment program for physicians.

It seems to me absolutely ludicrous at a time when we are talking about a health-care crisis in this country that we are going to ignore a crisis facing much of rural America as well as much of downtown New York as my colleague, the gentleman from New York, spoke to just a few minutes ago.

Right now in the State of Wisconsin we are short 150 family doctors, and the only way many rural communities can get them to come to outlying areas is by offering them some kind of incentive such as a deferment program such as the gentlewoman from Hawaii has suggested. In fact, there are right now 111 counties in the United States which have no physicians whatsoever, and at a time when people on both sides of the aisle, both Republicans and Democrats, have some to the understanding that we have got major problems with the health care delivery system in the United States, it seems absurd to me that we are going to strip out a longstanding provision in this program which recognizes deferments for physicians willing to serve in underserved areas in the United States.

POINT OF ORDER

The CHAIRMAN. The time of the gentlewoman from Hawaii has again expired.

Does the gentleman from Missouri [Mr. COLEMAN] wish to pursue his point of order?

Mr. COLEMAN of Missouri. Mr. Chairman, I do.

Mr. Chairman, I am sympathetic to the concerns that are expressed here for this amendment. The bill already has extended hardship deferments for 3 years in the bill, and we are trying to make some rationality under all of these deferments.

My point of order, Mr. Chairman, is that I cite section 303(a) of the Budget Act, which prohibits any new spending authority first effective for fiscal year 1993 or beyond until the concurrent resolution on the budget for the fiscal year has been agreed to. Since the budget resolution has not been agreed to, all amendments that require spending for fiscal year 1993 or beyond violate the Budget Act.

Furthermore, I cite section 401(b)(1), which precludes any new entitlement authority first effective before October 1992.

The amendment in question would require the Government to pay an interest subsidy for an extended period of time for individuals not otherwise subsidized by the bill. The amendment expands the class of individuals entitled to an interest subsidy in repayment of their student loans. Consequently, the amendment establishes a benefit, a beneficiary, and a right to the benefit, in this case interest subsidy, satisfying the definition of new entitlement authority under the Budget Act.

While the Congressional Budget Office did not credit the committee bill with savings for changes in the deferment terms of student loan programs in the act, the present amendment expands the class of individuals entitled to the economic benefit of loan principal and repayment deferments and interest subsidies.

The CHAIRMAN. Does the gentlewoman from Hawaii [Mrs. MINK] wish to be heard on the point of order?

Mrs. MINK. Yes, Mr. Chairman, I wish to be heard on the point of order.

Mr. Chairman, the points that have been raised in opposition to my amendment come to me with a great deal of shock and surprise, because we had submitted this amendment to the Congressional Budget Office as we are required to do, and the process by which we make that inquiry is to send in our amendment, and noted thereon are three marks from the CBO on my amendment saying that it does not involve any direct spending or any new entitlement authority.

Under three of those lines, it says, "None, none, none," and it seemed to me that we were fully in our right to bring this amendment to the floor with the CBO having told us and assured us that there was no additional money or no additional entitlement authority.

Furthermore, in debating this matter in committee, time and time again we were assured that these students for which we are now seeking a special designation for their deferments were already going to be covered under the amendment, that all we were doing by that general amendment in the bill was to clarify the process in order to avoid having all of these separate categories, but that medical interns and residents would be treated just as they were in the past.

It was with that assurance that I supported the refinement of the language and agreed to the passage of the bill. However, since that time we find that not to be necessarily true, because, as I have pointed out earlier, the interns and residents probably do not pay tuition and, therefore, would not be included in the category of being in school.

It seems to me, Mr. Chairman, this point of order comes very late. It comes at a time when we have no opportunity to refute it.

What can a Member of the House do in the face of an approved slip from the CBO which is the very process which we are expected to follow, when they tell us that our amendment is in order, does not cost additional money, does not direct additional spending, has no new entitlement authority, only to find that at the last minute that decision has been reversed and we find that we do not have an opportunity to offer this amendment which so many Members, I believe, support and would like to have included in the higher education bill?

The CHAIRMAN (Mr. PEASE). Are there other Members who wish to be heard on the point of order?

If not, the Chair is prepared to rule.

It is the understanding of the Chair that CBO may have advised various Members based on the assumption that medical interns and residents were already covered by the bill, which the Chair is advised is not the case.

It is the obligation of the Chair to measure the point of order against the pending bill before the Committee and to make a judgment as to the nature of the new spending authority. Under the terms of the bill, the class of borrowers addressed by the amendment would not be eligible for deferment of student loan repayments.

Under the amendment, that class of borrowers would be made so eligible. Because a deferment extends the period during which the United States subsidizes a borrower's interest payments, deferments are, in effect, entitlements.

Because the amendment enlarges the class of borrowers eligible for deferment, it does provide new entitlement authority within the meaning of section 303.

Accordingly, the Chair sustains the point of order.

□ 1330

AMENDMENT OFFERED BY MR. VENTO

Mr. VENTO. Mr. Chairman, I offer an amendment, which has been printed in the RECORD.

The Clerk read as follows:

Amendment offered by Mr. VENTO: Page 197, after line 10 insert the following new section (and conform the table of contents accordingly):

SEC. 430A. DEFAULT REDUCTION PROGRAMS.

Section 428F of the Act (20 U.S.C. 1078–6) 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.";

(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.".

Mr. VENTO (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Mr. Chairman, this amendment is an amendment I understand that is going to be accepted both by the chairman and the ranking member. I appreciate their efforts on the overall bill. I think they are bringing us a good work product that has taken a lot of effort on their part.

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Chairman, I have examined the gentleman's amendment with the staff and discussed it with the minority. The majority is prepared to accept the gentleman's amendment.

Mr. VENTO. Mr. Chairman, I thank the gentleman for his support.

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Chairman, we have examined the amendment and agree to the amendment.

Mr. VENTO. Mr. Chairman, I rise today to offer an amendment to H.R. 3553, the Higher Education Act amendments.

I would first like to express my appreciation to Chairman FORD and the Education Committee for all they have attempted to do in this bill to improve student financial assistance programs.

The purpose of my amendment is to build up on the committee's strong effort by addressing the problems that confront people who have defaulted on their student loans and help them reestablish a habit of repayment while increasing collections on those defaulted, nonworking loans.

As a result of such increased collections, the Congressional Budget Office has determined my amendment will result in a slight savings to the Government for the next 3 fiscal years and thereafter.

Mr. Chairman, as you know, the number of student-loan defaults has skyrocketed in recent years. This is partly due to the shift from grants to

loans in Federal student aid, partly due to recessionary unemployment and underemployment, and partly due to the rigid systems of law surrounding defaults.

My own district office experienced a 100-percent increase last year in cases that involve financial aid problems. The majority of individuals that we have helped are hard-working, honest people who have been caught in a situation which is not of their own making.

Such people are not swindlers trying to cheat their Government, Mr. Chairman. They are ordinary people who can't find a job with adequate pay and are caught up in an inflexible loan system which denies them the opportunity to get back on their own feet.

As a result of the increasing number of people in Minnesota who cannot get the stability they need to become self-sufficient, a group of service providers, educators, and activists who work with defaulters have formed a task force to confront this problem. The student loan task force has been seeking new ways to help defaulters repay their loans and go on to finish their education or training.

The amendment I am offering today is a direct result of those recommendations and I am grateful to the task force.

Under our present system, there are no options for a person in default. In fact, Mr. Chairman, even when a borrower does offer to pay as much as possible—and often more than is reasonable—on their loans, they do so only to have their offer rejected.

The efforts of my own constituents to continue to pay at least minimal amounts have been rejected since the loans are federally insured and the guarantor is permitted to keep up to 30 percent of anything they manage to collect on the defaulted loan.

Mr. Chairman, it seems to me that from the perspective of the Federal Government, accepting nothing in place of something is a nonsensical choice. In light of the total impact on the individual borrowers, their families, and to the Federal assistance programs that frequently must help these people, forcing borrowers into default is nothing short of outrageous.

Mr. Chairman, at present once a borrower has defaulted on a student loan they essentially lose all future eligibility to participate in any title IV financial aid program. While this might appear to make perfect sense upon first glance, it robs the Federal Government of leverage in collecting on the lost loan.

Mr. Chairman, my amendment would serve to correct these problems in the following way.

First, it requires the Secretary of Education and all guarantee agencies to work with a defaulter to consider their complete financial circumstances, including among other things rent, dependent care, and medical costs. This is an essential component if borrowers are to resume regular payments on their defaulted loans.

Second, my amendment also provides that once a borrower has reestablished a pattern of repayment, having made 6 consecutive monthly payments, their eligibility for title IV financial assistance is automatically renewed. This would address the great need for the education and training that exists for many who have defaulted.

Mr. Chairman, it is essential that we as Members of Congress not only concern ourselves with the fiscal deficit, but that we give equal consideration to the human deficit.

My amendment will increase the opportunity for those individuals with defaulted loans to reach their full self-sufficiency, and to contribute all they can to their families and our communities. In the process we will recover defaulted loans that we would otherwise not be able to collect on.

Mr. Chairman, I urge my colleagues to support this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. VENTO].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. KLUG

Mr. KLUG. Mr. Chairman, I offer an amendment.

The CHAIRMAN. Has the amendment been printed in the RECORD?

Mr. KLUG. Yes, Mr. Chairman, it has.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. KLUG: Page 169, line 23, and page 170, line 16, strike "and"; and on page 170 after line 5 and after line 23, insert the following new clauses:

"(iii) not in excess of 3 years during which the borrower is engaged as a full-time teacher in a public or nonprofit private elementary or secondary school in a teacher shortage area established by the Secretary pursuant to paragraph (4) of this subsection;

Page 177, strike lines 13 through 16 and redesignate the succeeding subsections accordingly.

Page 177, line 18, strike "428(b)(4) of the Act as redesignated)" and insert "428(b)(5) of the Act".

Page 178, line 4, and page 179, lines 14 and 23, redesignate paragraphs (6), (7), and (8) as paragraphs (5), (6), and (7), respectively.

Mr. KLUG (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

POINT OF ORDER

Mr. FORD of Michigan. Mr. Chairman, I am constrained to and must make a point of order on this amendment.

The CHAIRMAN. The gentleman will state his point of order.

Mr. FORD of Michigan. Mr. Chairman, I would have reserved a point of order, but what just happened when we tried to do that is an illustration that we will never get finished here if we use the reservation of a point of order for unlimited debate. For that reason I make the point of order without a reservation.

Mr. Chairman, in section 303(a) of the Congressional Budget Act it is not in order to consider any measure which creates entitlement authority or directs spending authority first effective in the fiscal year prior to the budget resolution for that fiscal year.

The amendment would require the Government to pay an interest subsidy for an extended period of time for individuals not otherwise subsidized by the bill.

The amendment expands the class of individuals entitled to an interest subsidy in repayment of their student loans. Consequently, the amendment establishes a beneficiary and a right to the benefit in the subsidy satisfying the definition of new entitlement authority under the Budget Act.

While the Congressional Budget Office did not credit the committee with savings for changes in the deferment terms of the student loan programs in the act, the present amendment expands the class of individuals entitled to the economic benefit of loan principal repayment deferments and interest subsidies.

I want to close by saying it makes me extremely sad to have to make this point of order, because I have been trying to get into the law what the gentleman is trying to do in the law. He is right. He is right, but we are operating with something called the Budget Act and we have squeezed every last little smidgeon of money out of everything that we could get our hands on to justify the bill, and we just cannot pass up the clear duty that places on us with the Budget Act.

I am sorry, Mr. Chairman, that we cannot accommodate the gentleman by accepting his amendment.

The CHAIRMAN. Does the gentleman from Wisconsin wish to be heard on the point of order?

Mr. KLUG. Yes, very briefly, I might add, Mr. Chairman.

The CHAIRMAN. The gentleman may proceed.

Mr. KLUG. First of all, Mr. Chairman, this amendment, like the amendment offered by my colleague, the gentlewoman from Hawaii just a few minutes ago, attempts to expand the higher education authority to also allow deferments for teachers involved in teacher shortage areas. In fact, right now, 34 States have made application to the Federal Government because of shortages of teachers, much like the shortage of physicians in rural areas across the United States.

I accept the gentleman's point of order, but let me tell you, there is

some frustration that I feel in that we in good faith went to the Congressional Budget Office last week and asked for an analysis, only to have now today an indication that the CBO estimate no longer holds. They told us there would be no additional expense. We come to the floor and suddenly find out that in this case the Congressional Budget Office, which happens to support our position, no longer holds.

I think that is a very dangerous precedent. If we are going to ask the CBO to do an analysis, then my sense is the CBO analysis should be the rule of law on this floor.

The CHAIRMAN. Does anyone else wish to be heard on the point in order?

Mr. WALKER. Yes, Mr. Chairman.

The CHAIRMAN. The gentleman from Pennsylvania may proceed.

Mr. WALKER. Mr. Chairman, I am very troubled with what is happening here. In previous iterations of this kind of challenge, the Parliamentarians have ruled that the Congressional Budget Office determinations with regard to the cost of an amendment would in fact hold.

Now under this particular challenge, we have the Parliamentarians overruling the Congressional Budget Office in what the Congressional Budget Office feels is the true nature of the situation. As I understand it, the Congressional Budget Office has said that the category of people that the gentleman from Wisconsin [Mr. KLUG] wishes to cover in his amendment were already assumed by them to be included, and so therefore there is no cost involved in extending this particular benefit.

The Parliamentarians have ruled that the CBO does not know what they are talking about on the Budget Act and that in fact this is a violation by extending this matter to a new category of person.

Now, I am a little puzzled. It seems that whenever the majority wants the CBO to stand with them, the Parliamentarians rule that the CBO estimates are absolutely and incredibly accurate, but when the majority wishes to have the CBO ruled out, then the Parliamentarians rule that the CBO has no accuracy, and in fact that the law applies regardless of what the CBO says.

This gives us a rather strange kind of process that we have to go through. The gentleman from Wisconsin [Mr. KLUG] has gone to the CBO and was told by the CBO that this did not violate the Budget Act, only to come to the floor and find out that now there is a new hurdle that he has to cross that he did not know before. The new hurdle is that the Parliamentarians are now in a position of overruling what the CBO says.

Now, I think it is a precedent which we are taking on at great peril.

Mr. FORD of Michigan. Mr. Chairman, I assume the gentleman was not on the floor for the discussion of the previous point of order.

The CHAIRMAN. The gentleman will desist. It is not possible for one Member to yield to another during discussion of a point of order. The gentleman from Michigan may seek his own time.

The gentleman from Pennsylvania has the time at the moment.

Mr. WALKER. At this point, Mr. Chairman, what I would ask is that the point of order not be sustained, that the point of order while it comes timely is not sustainable from the standpoint that the CBO has ruled that the matter before the House does not extent an entitlement, that it in fact is something where the particular people covered are assumed to have been covered previously, so therefore the amendment of the gentleman from Wisconsin is in order and should be considered by the House.

Mr. FORD of Michigan. Mr. Speaker, may I be heard further on the point of order?

The CHAIRMAN. The gentleman from Michigan may proceed.

Mr. FORD of Michigan. Mr. Chairman, the gentleman from Pennsylvania apparently was not on the floor when the previous ruling was made by the Chair on precisely the same point of order, and the point of order was raised from that side of aisle.

I think it is really unfair hyperbole for the gentleman to come in late and suggest that because I made the point of order that the ruling would be different than it was when the gentleman from Missouri [Mr. COLEMAN] on the Republican side made the point of order. It is exactly the same point of order. The same issues are at stake and the same assertion was made on the previous point of order that the Congressional Budget Office made a mistake. It is not because it is my point of order that I expect them to rule on it. I expect them to rule exactly as they did with the Republican point of order.

The CHAIRMAN. Does anyone else wish to be heard on the point of order?

Mr. WALKER. Mr. Chairman, may I be heard?

Mr. FORD of Michigan. Mr. Chairman, the gentleman has already been heard on this point of order.

Mr. WALKER. So has the gentleman from Michigan, Mr. Chairman.

The CHAIRMAN. The gentleman may be heard more than once on a point of order. The gentleman from Pennsylvania may proceed.

Mr. WALKER. I thank the gentleman.

Mr. Chairman, I plead guilty to not raising the point on the previous question. But the point that I am making here is one of who is going to make determinations with regard to the Budget Act? Our understanding all the way along had been that the Budget Act was determined by the CBO.

Now all of a sudden we are finding that there is a new hurdle that extends where the Parliamentarians are now going to make judgments about CBO estimates. And I think we are treading into brand-new territory here, which is disturbing because it means that we will never have any kind of assurance about where the Budget Act applies and where it does not.

So, my concern here is similar, if that was the precise ruling the time before, it seems to me that the Parliamentarians there have taken control away from the institution that was supposed to be giving us advice under the Budget Act. And I am still concerned then that we are setting precedent here which is not in the direction that the House should countenance. And I ask that the point of order against the gentleman's amendment not be upheld.

The CHAIRMAN (Mr. PEASE). Does anyone else desire to be heard on the point of order? If not, the Chair is prepared to rule.

The Chair would observe that the fact that CBO assumed the inclusion of these borrowers in its estimating model is not dispositive to the question of order under section 303. Moreover, under section 303 the Chair must be guided by the text and, unlike sections 302 and 311, is not required to accept Budget Committee estimates as conclusive.

Having said that, the Chair would point out that the issue here is identical to what it was in the amendment raised by the gentlewoman from Hawaii, and based on the same reasoning the Chair sustains the point of order.

Mr. KLUG. Mr. Chairman, the committee bill substantially alters a provision in current law that provides deferments on the repayment of loans for graduates who choose to bring their talents—at a financial cost to themselves—to areas of social need or shortage areas.

I am very concerned that as a result of the consolidation and simplification of deferment categories which this bill includes, very important and socially useful incentives to students will be lost. I believe it is absolutely appropriate to use these Federal assistance programs, just as we use the tax code, to create incentives for socially beneficial choices.

First, the first part of my amendment would restore the current 3-year deferment for those who go on after college to teach in areas of our country designated by the Secretary of Education and the States as underserved educational areas.

Second, the second part of my amendment would restore the current 2-year deferment for those who serve as resident-physicians, nurses, or other health care providers in shortage areas as designated by the Secretary of the Department of Health and Human Resources in consultation with the Secretary of Education.

There is clear evidence that in a great many communities across the land, rural and urban, there is a critical shortage of both professional educators and health care providers. The reason for shortages is not difficult to understand. In many areas working conditions are not as

good, and compensation is not as high as elsewhere. As a result, an already existing condition of inadequate access to health care and educational under achievement, is compounded and made worse.

In my home State of Wisconsin our rural areas are short 150 family doctors, which causes residents in many communities to postpone treatment, travel great distances to get it or simply receive no health care at all. The problem is not limited to Wisconsin. In 1988 there were 111 counties in America without a single doctor.

Problems like the National Health Service Corps, which will award 500 medical school scholarships this year to students who practice in these underserved areas are helping, but other incentives are required, at least as long as evidence of severe shortages exist.

Within our education system, there are geographic regions of the country as well as specific subject matter areas in which there are not enough teachers to meet existing need. As evidence of this fact 34 States now have applied and been approved to participate in teacher shortage area programs. Many States are currently negotiating for approval.

I do not believe that by itself this amendment will solve the problem of inadequate access to health care services or the shortage of qualified and dedicated teachers in critical subject areas or in the rural and inner city communities that need them most. I do believe, however, that by adopting this amendment, and thus restoring the deferments available under current law, we can make a small but significant contribution toward that end.

I urge my colleagues to support my amendment.

AMENDMENT OFFERED BY MR. GUNDERSON

Mr. GUNDERSON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Chair inquires, has this amendment been printed in the RECORD?

Mr. GUNDERSON. It has, Mr. Chairman, yes.

The Clerk read as follows:

Amendment offered by Mr. GUNDERSON: Page 63, strike out lines 12 through 14 and insert in lieu thereof the following:
amended in the first sentence therein—

(A) by inserting immediately after "full-time basis" the following: "(including a student who attends an institution of higher education on less than a half-time basis)"; and

(B) by inserting before the period at the end thereof the following: ", computed in accordance with this subpart".

Page 86, line 16, strike out "and inserting" through line 20 and insert a period.

Mr. GUNDERSON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. GUNDERSON. Mr. Chairman, this amendment, for the benefit of my colleagues, is the amendment known as one course at a time.

Under present law, anyone must have a minimum of 2 different courses at the same time in order to be eligible for student financial aid. This amendment is strongly supported by the administration, and, I think, on a bipartisan basis.

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. GUNDERSON. I yield to the gentleman from Michigan [Mr. FORD].

Mr. FORD of Michigan. I thank the gentleman for yielding.

Mr. Chairman, I want to compliment the gentleman from Wisconsin for his persistence in following this up. We have been up and down on this issue over the years. I think he has finally found the right balance.

Mr. Chairman, on behalf of the majority, I would like to accept the gentleman's amendment.

Mr. COLEMAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. GUNDERSON. I yield to the gentleman from Missouri [Mr. COLEMAN].

Mr. COLEMAN of Missouri. I thank the gentleman for yielding.

Mr. Chairman, we have looked at the amendment, and the minority side will accept it as well.

The CHAIRMAN. If there is no further debate, the question is on the amendment offered by the gentleman from Wisconsin [Mr. GUNDERSON].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. GUNDERSON

Mr. GUNDERSON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. Has the amendment been printed in the RECORD?

Mr. GUNDERSON. It has, Mr. Chairman.

The Clerk read as follows:

Amendment offered by Mr. GUNDERSON: Page 265, line 11, insert the following before the "." "and the Secretary shall determine that such guarantee agency will remain financially sound."

Mr. GUNDERSON. Again, Mr. Chairman, I will try to be very brief. We have a compromise on this amendment on both sides.

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. GUNDERSON. I yield to the chairman.

Mr. FORD of Michigan. I thank the gentleman for yielding.

Mr. Chairman, I have examined the amendment, and on behalf of the majority, we accept the gentleman's amendment.

Mr. COLEMAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. GUNDERSON. I yield to the gentleman from Missouri [Mr. COLEMAN].

Mr. COLEMAN of Missouri. I thank the gentleman for yielding.

Mr. Chairman, the minority accepts that amendment as well.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. GUNDERSON].

The amendment was agreed to.

Mr. FORD of Michigan. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the gentleman from Wisconsin got more votes on this side than he did on that side. The gentleman had better work it a little harder, Mr. Chairman.

Mr. MORAN. Mr. Chairman, will the gentleman yield?

Mr. FORD of Michigan. I yield to the gentleman from Virginia [Mr. MORAN].

Mr. MORAN. Mr. Chairman, in respect for the other Members' time, I rise in support of the bill.

Mr. Chairman, I would like to commend Chairman FORD, Mr. GOODLING, and the other members of the Education and Labor Committee for bringing before this body a bill that goes a long way toward meeting the needs of America's students. The programs contained in H.R. 3553 will provide help to every sector of the postsecondary education community, and in doing so has the potential of affecting over 13 million individuals next year.

Beyond the breadth of this reauthorization, though, its depth is of particular importance. Over the past two decades Federal aid has shifted in two critical ways. First, the Federal Government's commitment to providing aid for every student who needs it has become, instead, a program of assisting primarily the economically disadvantaged. Although these students need our help and should continue to receive our greatest attention, we must renew our commitment to all those that need it. This bill will do that by making the middle class once again eligible for such financial aid.

The second issue addressed by H.R. 3553 is the unfortunate shift that has taken place over the past two decades away from a reliance on grant aid to a system based on loan subsidies and guarantees. Although it is unfortunate that the language being considered today does not contain the dramatic remedies of earlier versions, it does adequately address the problem by increasing maximum awards and raising the income caps for eligible families.

I am, however, concerned about one section of the bill. We have watched as default costs have jumped and the incidents of abuse in title IV programs has been highlighted here in Congress, on television, and in the papers. Our concern over these matters is warranted and, in fact, H.R. 3553 does a good job of addressing the lion's share of problems that have been identified. There are some sections, though, in which the committee's commitment to stopping abuses may have caused them to approve language that will adversely affect schools that we desperately need to train our work force; schools that do not abuse the system. Postsecondary vocational education is critical to preparing students for today's workplace. In my district these schools fulfill a very important role particularly the preparatory schools. They've provided the essential skilled work force we need in computers, electronics, heating & airconditioning and so forth. More than 80 percent of the students served are minorities and 90 percent are low income. We must carefully assess changes affecting these schools within the context of the benefits that these schools are providing to their students and to American industry. I hope that in conference or in any technical corrections legislation that is to follow, the

Education and Labor Committee will examine the implications of the institutional eligibility sections, particularly those dealing with the length of the academic year, the limiting of short-term program eligibility, and the lack of proper definition of a "clock-hour."

Mr. Speaker, in closing I would like to reiterate my support for H.R. 3553, and my hope that we will not discount the long-term benefits that we receive from helping postsecondary vocational students to receive an enhanced education and training.

AMENDMENT OFFERED BY MR. COLEMAN OF MISSOURI

Mr. COLEMAN of Missouri. Mr. Chairman, I offer an amendment.

The CHAIRMAN. Has the amendment been printed in the RECORD.

Mr. COLEMAN of Missouri. It has, Mr. Chairman.

The Clerk read as follows:

Amendment offered by Mr. COLEMAN of Missouri:

—Page 271, strike line 3, and insert the following (and indent lines 4 through 15 accordingly)

"(d) CONTROL GROUP.—

"(1) REGULAR REPAYMENT.—To assist the Comptroller

—Page 271, after line 15 insert the following new paragraphs:

"(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.

—Page 267, line 11, strike "and", and after such line insert the following new paragraph (and redesignate the succeeding paragraph accordingly):

"(6) in the case of 20 percent of the institution 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 borrower's 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;

"(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

—Page 268, line 6, insert after the quotation marks the following: "(a) IN GENERAL.—".

—Page 268, line 10, insert before the semicolon the following: ", at least one of which shall be for serving loans that are subject to Income contingent repayment".

—Page 268, line 19, insert the following new subsection:

"(b) SERVICING FOR INCOME CONTINGENT LOANS.—The Secretary shall, through contract, ensure the availability of servicing of loans made pursuant to section 454(c) 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 CONGINENT 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 provide 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.

Mr. COLEMAN of Missouri (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COLEMAN of Missouri. Mr. Chairman, this amendment permits 20 percent of the loans in the so-called direct loan demonstration project, the pilot project, to be repaid on an income-contingent basis. Under this amendment, income contingency would be offered to borrowers in both the direct loan demonstration and those in the control group of GSL's.

The purpose of this amendment is to use this demonstration as an opportunity to test the feasibility of income-contingent repayment and determine whether or not it is a viable option in either a direct loan or guaranteed loan program.

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. COLEMAN of Missouri. I yield to the gentleman from Michigan [Mr. FORD].

Mr. FORD of Michigan. I thank the gentleman for yielding.

Mr. Chairman, the gentleman from Missouri [Mr. COLEMAN] presents us with an amendment that is a result of the consideration of ideas from the other body, ideas from numerous people here, Mr. PETRI, Mr. MILLER, among others, and Mr. GEJDENSON. Actually, he has come up with a way that we can try this out as a part of the pilot on direct loans and see how it works.

Mr. Chairman, for the majority, we accept the gentleman's amendment.

Mr. GEJDENSON. Mr. Chairman, as college tuition costs continue to rise, more and more students are finding themselves locked out of higher education. Many middle-income students are denied access to our universities because student loans are not available to them. Those who are lucky enough to get student loans find themselves strapped with huge loan payments after graduation.

Additionally, the Federal Government has had to step in and cover costs incurred because existing student loan programs are not run as efficiently as they could be. Last year, for example, the Government paid over $3.6 billion to cover student loan default costs.

The Ford-Coleman amendment which stipulates that 20 percent of the schools participating in the $500 million direct loan pilot program offer income contingent loans is an effort to solve these problems.

An income contingent loan program gives every student, regardless of family income, the change to finance their college education. Loan repayments are based on postschool income and are collected as income taxes by the IRS.

While everyone will end up paying back what they borrowed, in contrast to current loan programs, this type of repayment schedule is progressive. It guarantees that borrowers at all income levels will not pay more per month than they can handle. It also means that college graduates taking lower paying jobs in teaching or social services can pay less than someone who took a high paying job. Under this proposal, low income borrowers with large loans can stretch out their payment schedules so that they pay only a manageable percentage of their income.

Additionally, the Ford-Coleman amendment saves taxpayers money by cutting Government costs, and eliminating loan defaults. Because payments are deducted by the IRS from borrowers' earnings once they enter the working world, there is no opportunity to default.

While I would like to see a more comprehensive income contingent loan program implemented, I believe that this proposal is a step in the right direction. I urge my colleagues to support this amendment and give this important loan program the chance it deserves.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. COLEMAN].

The amendment was agreed to.

AMENDMENTS OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer two amendments, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Have the amendments been printed in the RECORD?

Mr. TRAFICANT. Yes, Mr. Chairman, they have.

The CHAIRMAN. Is the objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. TRAFICANT: Page 426, after line 2, insert the following new part (and conform the table of contents accordingly):

PART J—AMENDMENTS TO RELATED PROGRAMS

SEC. 499A. 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 426, after line 2, insert the following new part (and conform the table of contents accordingly):

PART J—AMENDMENTS TO RELATED PROGRAMS

SEC. 499A. 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 (1)";

(6) in subsection (d)(2), as so redesignated by paragraph (3) of this section, by striking "subsection (h)" and inserting in lieu thereof "subsection (g)";

(7) in subsection (d)93), 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".

Page 579, line 15, strike the close quotation marks and following period and after such line insert the following new subsection:

"(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').".

At the end of the bill add the following new title:

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 states under section 1501.

Mr. TRAFICANT (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TRAFICANT. Mr. Chairman, this is the National Academy of Science, Space and Technology. It was authorized in 1990. This would reauthorize it and also provide for competitive examinations for the top 2 scorers to be awarded those scholarships.

I appreciate the fact that the committee has afforded me the opportunity to offer the amendments.

Mrs. UNSOELD. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentlewoman from Washington [Mrs. UNSOELD].

Mrs. UNSOELD. I thank the gentleman for yielding.

Mr. Chairman, on behalf of the majority side, we accept the amendments.

Mr. TRAFICANT. I appreciate the statement of the gentlewoman.

Mr. COLEMAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Missouri [Mr. COLEMAN].

Mr. COLEMAN of Missouri. I thank the gentleman for yielding.

Mr. Chairman, we will accept the amendments on this side.

Mr. TRAFICANT. Mr. Chairman, I appreciate the support of the committee.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Ohio [Mr. TRAFICANT].

The amendments were agreed to.

AMENDMENT OFFERED BY MR. PENNY

Mr. PENNY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. Has the amendment been printed in the RECORD?

Mr. PENNY. It has, Mr. Chairman.

The Clerk read as follows:

Amendment offered by Mr. PENNY: Page 252, after line 6, insert the following new subsection (and redesignate the succeeding subsections accordingly):

"(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.

Page 252, strike lines 9 through 23 and insert the following:

"(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 such excess to eligible institutions to carry out community service work-study programs, which may include programs under section 1131.

Page 253, strike lines 1 through 14 and insert the following:

"(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 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;";

Page 255, line 13, strike "(10)" and insert "(11)"; on line 17, strike "paragraph" and insert "paragraphs"; on line 21, strike "and'."; and after line 21 insert the following new paragraph:

"(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".

Page 256, line 17, after "jobs" insert ", including community service jobs".

Mr. PENNY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. PENNY. Mr. Chairman, the amendment I offer deals with the College Work/Study Program, and I would encourage the dedication of a portion of those funds to community service employment. It is comparable in nature to an amendment approved in the other body and offered there by Senator WOFFORD of Pennsylvania.

Mr. Chairman, the amendment I offer today is really very simple, and quite fundamental. It

neither increases expenditures, nor alters the existing College Work-Study Program in a significant manner.

What it does do is adopt a single, broad definition of community service which encompasses both on and off campus service, including support services for students with disabilities. Under this new definition, community service means service designed to improve the quality of life for community residents, particularly low-income individuals, including such fields as health care, child care, literacy training, education and tutorial services, neighborhood improvement, public safety and crime prevention, recreation, rural development, and community improvement. This new definition also allows students to be involved in assisting individuals with disabilities and in mentoring others. Importantly, under my amendment, community service can be performed on and off campus.

The amendment requires that beginning in fiscal year 1994, schools shall ensure that at least 10 percent of their work-study funds go to students engaged in community service, again: on or off campus. In addition, any work-study funds returned to the Secretary would be reallocated for community service activities.

Mr. Chairman and colleagues, when the Congress created the CWS Program in 1964, it envisioned that many of the college students who received this new form of Federal student financial assistance would give back to their communities through public service. Specifically, it was the intention of the creators of CWS that each college develop two types of employment opportunities: on-campus employment in a wide variety of occupations, and off-campus employment with public or nonprofit organizations where the employment is in the public interest.

As a recent General Accounting Office report makes clear, however, only a small fraction of the youth who receive the hundreds of millions spent each year in the CWS program perform work of genuine benefit to the larger community. According to the GAO, 95 percent of work-study funds go to on-campus jobs; and only 0.2 percent of Federal work-study funds are spent on community service-learning programs authorized under current law, even though the Federal Government covers 90 percent of the costs of such programs. The Federal Government currently covers 70 percent of the cost in providing most work-study jobs. The GAO also found that most on-campus jobs are low skilled: 14 of 20 institutions surveyed estimated that 50 percent or more of on-campus jobs are clerical or low skilled in nature. On the other hand, off-campus jobs—which comprise only 5 percent of work-study funding—are more likely to relate to students' goals and fields of study.

While opportunities for community service activities apparently shrunk under the auspices of the College Work-Study Program, voluntarism is on the increase across the country. Just a few days ago the Washington Post ran an article: "Hot Course on Campus: Volunteerism 101." Let me quote briefly from that article because it very convincingly makes the case for the Congress to take additional steps to encourage this emerging sense of voluntarism among college students.

So suddenly and dramatically has this new movement blossomed here and nationally, including the Washington area, that many educators say voluntarism may well become a distinguishing characteristic of college life in the 1990's.

The article goes on to say:

For the first time in 22 years, the Community for Creative Non-Violence, which runs Washington's largest homeless shelter, has so many college students knocking on their door that dozens, even those who offer to live in, are being turned away each month.

Lest you think that this wave of voluntarism spilling out across the Nation is regional or local, let me assure you it is happening on almost every college campus and in every community. Let me list a few: The University of Michigan volunteer program includes over 4,400 students. National networks of student volunteers have sprung up across the country. Eighteen months ago, nearly 8,000 students met at the University of Illinois for a Student Environmental Action Coalition; a new group called JUSTICE, a social outreach effort at the country's 28 Jesuit colleges, was recently organized. The Campus Outreach Opportunity League, based at the University of Minnesota recently sponsored a meeting in Orlando that was attended by 1,200 students. Instances and examples of the growing spirit of outreach and voluntarism are almost endless.

Some here will argue that the bill on the floor today allows 100 percent of work-study to be used for community service. That's true. My amendment would not alter that flexibility, but the reality, Mr. Chairman, and colleagues, given what we know about how CWS funds are allocated, is that few dollars will be reserved for community service work study unless we require it. The language I offer is flexible: it gives schools 2 years to establish or coordinate existing community service work study programs, and through reallocations, will provide more dollars for these programs.

This amendment has the support of the following organizations and individuals: People for the American Way, John Buchanan, chairman; Youth Service America; Working Group on Youth Service; The National Campus Compact; Washington State Campus Compact; California Campus Compact; Michigan Campus Compact; Pennsylvania Campus Compact; Florida Campus Compact; U.S. Student Association; Bonner Foundation; Campus Outreach Opportunity League; ASPIRA; United Native Indian Tribal Youth [UNITY]; and Florida Office of Campus Volunteers.

The 101st Congress saw passage of the groundbreaking National and Community Service Act of 1990 and the establishment of a new Commission on National and Community Service to assist the States and schools as they strive to renew the ethic of civic responsibility across the Nation. It is now time to build on these recent accomplishment by revitalizing the role of citizen in college work-study. I ask for your support of my amendment.

AMENDMENT OFFERED BY MR. COLEMAN OF MISSOURI TO THE AMENDMENT OFFERED BY MR. PENNY

Mr. COLEMAN of Missouri. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. COLEMAN of Missouri to the amendment offered by Mr. PENNY: Page 3, line 2, strike "shall use" and insert "shall be encouraged to use."

Mr. COLEMAN of Missouri. Mr. Chairman, I offer this amendment because the gentleman from Minnesota, in his original amendment, requires this and we need to keep the flexibility of these funds to be used in any fashion the institution might want. But I do believe we ought to encourage and do—move down this road and encourage them. That is why I put the word "encouraged," it is not mandatory, it is encourage, which is stronger than just "may." And I hope the gentleman would accept my amendment.

□ 1350

Mr. PENNY. Mr. Chairman, will the gentleman yield?

Mr. COLEMAN of Missouri. I yield to the gentleman from Minnesota.

Mr. PENNY. Mr. Chairman, I have no problem with the amendment. My concern at this point, is to give some support to this initiative as we leave the House and when we go to conference. I would trust something could be worked out with the other side.

Mrs. UNSOELD. Mr. Chairman, will the gentleman yield?

Mr. COLEMAN of Missouri. I yield to the gentlewoman from Washington.

Mrs. UNSOELD. Mr. Chairman, the committee also supports the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. COLEMAN] to the amendment offered by the gentleman from Minnesota [Mr. PENNY].

The amendment to the amendment was agreed to.

AMENDMENT OFFERED BY MRS. UNSOELD TO THE AMENDMENT OFFERED BY MR. PENNY, AS AMENDED

Mrs. UNSOELD. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mrs. UNSOELD to the amendment offered by Mr. PENNY, as amended: Page 2, line 13, strike "reallot such" and insert "reallot 25 percent of such".

Mr. PENNY. Mr. Chairman, will the gentlewoman yield?

Mrs. UNSOELD. I yield to the gentleman from Minnesota.

Mr. PENNY. Mr. Chairman, I thank the gentlewoman from Washington for yielding. Again this is an amendment that we negotiated with my friends on the committee. I am content to accept the amendment.

Again, Mr. Chairman, my major goal is to get these provisions in the bill so that we can again negotiate with the Senate on the work study policy, and I thank them for their cooperation.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Washington [Mrs. UNSOELD] to the amendment offered by the gentleman from Minnesota [Mr. PENNY], as amended.

The amendment to the amendment, as amended, was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. PENNY] as amended.

The amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MR. RAMSTAD

Mr. RAMSTAD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RAMSTAD: Page 372, beginning on line 11, strike out paragraph (1) through line 18; on line 19, redesignate paragraph (2) as paragraph (1); on page 373, line 10, redesignate paragraph (3) as paragraph (2); and on page 372, beginning on line 13, strike out paragraph (7) through page 375, line 13, and insert the following:

"(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.".

Mr. RAMSTAD (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. RAMSTAD. Mr. Chairman, before yielding back, I will be very brief. The amendment that the gentlewoman from New York [Ms. MOLINARI] and I offered today is a modified version of H.R. 2363, the Campus Sexual Assault Bill of Rights Act. That legislation was introduced last May, and it now has the strong bipartisan support of 188 cosponsors. This amendment amends the Crime Awareness and Campus Security Act by adding the requirement of a campus sexual assault policy. Under this amendment each institution of higher education would be required to develop and distribute a statement of policy regarding that institution's sexual assault proposals aimed at prevention and education, as well as the procedures to be followed once a sexual assault has occurred.

Mr. Chairman, rape is rape. Whether it occurs in a dark alley or an ivory tower, the crime of rape must be dealt with seriously.

Tragically, the incidence of rape on campus has reached epidemic levels. A campus rape is reported every 21 hours. However, because rape is probably the most underreported of all crimes, one study estimates that 6,000 rapes occur each year on campuses across the Nation.

An even darker picture, however, is painted by the most respected study to date, a 1987 National Institute of Mental Health study conducted by Dr. Mary P. Koss, professor of psychiatry at the University of Arizona Medical School. The NIMH study found that 1 in 4 college women is the victim of rape or attempted rape during her college career. Further, the study found that fewer than 5 percent of campus rapes are reported to police.

These statistics—and the violence, trauma, and physical pain they represent—are truly shocking. Adding to the problem, a growing number of campus sexual assault victims and their parents have expressed anger and frustration with the way college administrators have handled incidents of sexual assault. Too often, victims are unaware of their legal rights and options and frustrated in exercising their legal rights. Too often, these crimes go completely unreported.

Underreporting occurs for a number of reasons. Some victims feel ashamed and afraid, some are unaware of their legal rights, and some doubt the accused will ever be punished. The result is that while so many women continue to be victimized, only 1 of every 100 campus rapists is ever prosecuted.

While it is tragic enough that these women are physically violated and forced to bear severe emotional scars, many of these women also report they are traumatized a second time when their allegations are mishandled by campus authorities. In fact, less than 40 percent of campus rape allegations result in any institutional penalty.

That's why I introduced H.R. 2363, the Campus Sexual Assault Victims' Bill of Rights Act, which has the strong bipartisan support of 188 cosponsors. This bill has received the endorsement of many organizations, including Security on Campus, Inc., the National Victim Center, the Law Enforcement Alliance of America, the National Network for Victims of Sexual Assault, and National Action Against Rape. It also has the endorsement of the United States Student Association, Safe Campuses Now, Inc., Students Together Against Acquaintance Rape, Victims Assistance Legal Organization [VALOR], and many other student organizations across the country.

The amendment Ms. MOLINARI and I offer today is a modified version of H.R. 2363, the Campus Sexual Assault Victims Bill of Rights Act which I introduced last May.

It amends the Crime Awareness and Campus Security Act, which requires colleges and universities to report crime statistics and develop a campus security policy. This amendment adds the requirement of a campus sexual assault policy.

Each institution of higher education would be required to develop and distribute a statement of policy regarding the institution's sexual assault programs aimed at prevention and education, as well as the procedures to be followed once a sexual assault has occurred.

The amendment further requires such policies to set forth general procedures to be followed by student victims once a sex offense has occurred: namely: First, who should be contacted; second, the importance of preserving evidence as may be needed for proof of criminal sexual assault; and third, to whom the alleged offense should be reported.

Underlying this amendment is the belief that victims of campus sexual assault should be permitted to pursue redress for their attack either through the criminal justice system or oncampus disciplinary proceedings. The option to choose one or both of these alternatives should rest with the victim. Students should be counseled regarding these options and receive assistance in notifying campus or local police.

Also, under this amendment, campus sexual assault policies would be required to address the procedures to be followed if the victim chooses to pursue an oncampus disciplinary proceeding. Such policies shall include a clear statement that both parties, the accuser and the accused, are entitled to the same opportunities to have others present during a campus proceeding, and both shall be informed of the outcome of such a proceeding.

The amendment also requires higher education institutions to have a procedure regarding notification to students of existing counseling, mental health, or student services for victims of sexual assault, both on campus and in the community.

Further, sexual assault policies, under our amendment, would be required to provide notification to students of options and available assistance in changing classes and living situations subsequent to an alleged sexual assault, provided such options are reasonably available.

Finally, this amendment clarifies that no private right of action is to be conferred upon any person to enforce the provisions of this amendment.

This amendment offers a reasonable compromise between H.R. 2363, the legislation I introduced last May and the permissive language now contained in H.R. 3553.

Never again should a young rape victim be left in the dark about her rights and made to feel like a victim for a second time.

The time for action is now. With 6,000 campus rapes expected this year, further delay will only mean greater suffering. That's unfair to college women, their parents, and the American people.

Mr. Chairman, I urge a "yes" vote on the Ramstad-Molinari amendment.

Ms. MOLINARI. Mr. Chairman, will the gentleman yield?

Mr. RAMSTAD. I yield to the gentlewoman from New York who has coauthored the amendment.

Ms. MOLINARI. Mr. Chairman, I thank the gentleman from Minnesota [Mr. RAMSTAD], and I commend him for his noble and tireless effort to make this bill a reality.

Mr. Chairman, at Carleton College, Amy had been on campus just 5 weeks when she joined friends to watch a video in the room of a senior. Soon she was alone with a student whose name she did not know. He locked the door and raped her again and again for the next 4 hours. Afterward he told her his name defiantly. Amy went to the dean of students, whom she had been told she could trust. "He told me it was my word against my attacker's, and that if I went for a criminal prosecution, the victim was basically put on trial."

So instead she picked an internal review, at which she ended being grilled about her sexual habits and experiences. Her attacker was found guilty of sexual assault but was only suspended, because of the dean's assurance that he had no priors other than advances without sanction.

Another student at Carleton College, Julie, started dating a fellow cast member in a play. They had never slept together, until he came to her dorm room one night, uninvited, and raped her. She could not manage to hold her life and education together and finally left school. Only later did she learn that her assailant was the same man who had attacked Amy.

Jeanne Ann Clery in 1986 was raped, sodomized, tortured, and murdered in her dormitory room at Lehigh University.

Syracuse University's judicial board came to the aid of football player Tom Watson after an 18-year-old freshman charged him with raping and sodomizing her. Watson pleaded guilty in criminal court to sexual misconduct, and the court sentenced him to 3 years' probation and 300 hours of community service. But the 3-member judicial board decided Watson had not violated school policy. He remained in school, kept his scholarship, and continued as a member of the football team until the school's chancellor decided that Watson should be suspended for a few games.

These are not isolated incidents. In fact, every 21 hours a woman reports a campus rape; however, studies reveal that the actual incidence of rape is much higher. For these reasons, Congressman RAMSTAD and I are offering our amendment today. This amendment, almost identical to the amendment offered by Senator BIDEN, and favorably accepted by the Senate, will require any postsecondary institution participating under the title IV program, to formulate and distribute a campus sexual assault policy.

College and university campuses are becoming a breeding ground for date and acquaintance rape. A serene campus setting can lead to a false sense of security and yet the unfortunate truth is that sexual violence has now surpassed theft as the No. 1 security concern on U.S. college and university campuses. This amendment will go a long way to ensure young women, and their parents, that they do not have to fear going away to school, but can learn and grow in a safe and secure environment.

Campus administrators resist proactive approaches to campus sexual assaults for fear of this leading to higher levels of reporting. The advantages for the colleges are clear, no bad publicity, no drop in applications, and no decline in alumni donations. So enrollment soars and so do rape statistics.

Countless women are dropping out of college, abandoning career aspirations, sinking into depression, and living with endless nightmares because of a sexual assault during their college years. I urge all my colleagues to support this desperately needed amendment.

Your no vote will signify that suspension from the football team is a just penalty for rape.

Your no vote will tell every young man prone to violence that it is OK for him to engage in date rape.

Your vote to support will allow campus rape to be defined as an atrocious, vicious act of violence not as a social blunder.

Mr. RAMSTAD. Mr. Chairman, in closing, before yielding back, I would just like to thank the 188 Members of this body who cosponsored this legislation and also the dozen national groups who have been so helpful in getting the legislation to this point.

Mr. COLEMAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. RAMSTAD. I yield to the gentleman from Missouri.

Mr. COLEMAN of Missouri. Mr. Chairman, I just want to commend the gentleman from Minnesota [Mr. RAMSTAD] for this legislative success that he is having and will have on this amendment. I know it is important in his area because of circumstances that occurred in his area in Minnesota that brought this to his attention. He has come to the Congress, he has put together legislation, he has gotten a lot of support for it now, and I believe it is going to be adopted, and I want to commend him for his hard work and effort. As a cosponsor, I am glad to see him offering it, and I am sure it will be passed today.

Mrs. UNSOELD. Mr. Chairman, I rise in support of the amendment of the gentleman from Minnesota [Mr. RAMSTAD] on behalf of the majority.

Mr. REED. Mr. Chairman, will the gentlewoman yield?

Mrs. UNSOELD. I yield to the gentleman from Rhode Island.

Mr. REED. Mr. Chairman, I rise to commend and support this legislation, particularly its sponsors, the gentleman from Minnesota [Mr. RAMSTAD] and the gentlewoman from New York [Ms. MOLINARI]. We in the committee heard horror stories about victims in sexual assaults being forced to go to class with people who had assaulted them or living in the same dorms and being encouraged by authorities to not report these crimes. It is time we encourage colleges to develop good, strong policies to protect these people and to ensure that sexual assault is something that is not found on our college campuses.

Mrs. UNSOELD. Mr. Chairman, we all heard the nightmares of violence against women on college campuses, and this amendment would simply require schools to develop a policy to deal with these incidents when they arise and to communicate that policy to the students.

Mrs. LOWEY of New York. Mr. Chairman, will the gentlewoman yield?

Mrs. UNSOELD. I yield to the gentlewoman from New York.

Mrs. LOWEY of New York. Mr. Chairman, I, too, rise in support of this legislation—and I want to congratulate the sponsors—and I hope this legislation will make an important step in really making our campuses a safe place where people can feel they can attend and not be afraid of crimes and the unfortunate incidents that have occurred. So, I commend them, and I rise in support.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. RAMSTAD].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MCCURDY

Mr. McCURDY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCURDY: Page 356, line 18, strike "and"; and after line 18 insert the following new paragraph (and redesignate the succeeding paragraphs accordingly):

(2) by striking paragraph (2) and inserting the following:

"(2)(A) if the student is enrolled or accepted for enrollment in the first year of an educational program on or after August 1, 1995, comply with the minimum achievement requirements applicable under subsection (j); or

"(B) if the student is enrolled or accepted for enrollment in a second or any succeeding year of an educational program, be maintaining satisfactory progress in the course of study the student is pursuing in accordance with the provisions of subsection (c);";

Page 357, line 9, strike "and"; on line 14, strike the second period and insert "; and"; and after such line insert the following new paragraph;

(6) in subsection (c)(1), by striking "subsection (a)(2)" and inserting "subsection (a)(2)(B)".

Page 365, line 6, strike the close quotation marks and following period and after such line insert the following new subsection:

"(j) MINIMUM ACHIEVEMENT REQUIREMENTS.—For the purposes of subsection (a)(2)(A), a student complies with the minimum achievement requirements applicable under this subsection if—

"(1) in the case of a student enrolled or accepted for enrollment in an institution of higher education that provides an educational program for which it awards a bachelor's degree, such student has—

"(A) scored in or above the 55th percentile on a nationally accepted college entrance examination approved by the Secretary for the purposes of this subsection; or

"(B) attained, in non-elective academic courses in secondary school, a cumulative grade point average of at least 2.5 (out of a possible 4.0) or the equivalent of such a grade point average as determined under regulations prescribed by the Secretary; or

"(2) in the case of a student enrolled or accepted for enrollment in a proprietary institution of higher education, a postsecondary vocational institution, or an institution of higher education that provides a two-year educational program that is acceptable for credit toward a bachelor's degree, such student has—

"(A) passed an ability-to-benefit test approved by the Secretary for purposes of this subsection; or

"(B) obtained a diploma or certificate of graduation from a secondary school or the recognized equivalent of such a diploma or certificate.".

Mr. McCURDY. Mr. Chairman, I rise today to offer an amendment to H.R. 4471 the Higher Education Amendments of 1992, which would require students to achieve a minimum academic standard in order to be eligible for student financial assistance.

Recently, the National Collegiate Athletic Association announced that it would raise academic standards for high school graduates seeking to qualify for athletic scholarships at NCAA member institutions. College coaches and athletic directors recognize that by demanding more of our high school students, we can expect a better quality college student with a better chance to succeed. Currently, only 54 percent of college students obtain a degree within 5 years. Based on this low figure, it is time the Federal Government also comes to this realization.

My amendment would require that first-time borrowers have a cumulative 2.5 grade point average from high school or score in the 55th percentile of a nationally accepted college entrance exam, like the SAT or the ACT, in order to receive Federal student financial assistance. These new requirements would be effective beginning on August 1, 1995, the same effective date for the new NCAA standards. This effective date will give institutions and individual students ample time to prepare for this new requirement.

While the benefit of increasing college graduation rates is significant, I believe the most important impact of tying academic standards to financial assistance will be increased motivation by high school students to learn more in high school. And based on a recent Department of Education study which found that 72 percent of American high school seniors do only 1 hour or less of homework per night, it is apparent that many high school students remain unchallenged.

By asking students to meet a minimum level of academic achievement, we will challenge them and give them an incentive to work hard that currently does not exist. As Albert Shanker, president of the American Federation of Teachers has stated:

To think that this lack of external incentives for working hard in school makes no difference in what students do is to believe that American youngsters are some special breed of humans who are strictly motivated by an internal love of learning and an understanding of its relationship to a productive adult life.

In order to be more competitive, Americans must ask themselves to set their sights higher and achieve better educational results. By requiring a minimum level of educational achievement from students, the Federal Government would encourage students to assume more individual responsibility for increasing U.S. competitiveness in the global economy.

Mr. Chairman, I urge my colleagues to support this amendment.

□ 1400

Mr. FORD of Michigan. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment requires that a student enrolled or accepted for enrollment in the first year of a baccalaureate degree, must have scored at or above the 55th percentile on a nationally recognized college entrance test—I believe this means an SAT—and attained a 2.5 cumulative grade point average in high school in academic courses.

The amendment essentially would require that 4-year colleges establish these criteria as part of their admission standards. The amendment is a gross Federal intrusion into the administration standards of 4-year colleges and flies in the face of longstanding law. The General Education Provisions Act, which was enacted when we created the Department of Education, assured colleges and universities that we were not going to let the Federal Government interfere with matters of their independence.

Now, I understand the gentleman's rather facile transition from the idea that, if the NCAA thinks you ought to require those things for people who are going to get an athletic scholarship, why not require it of everybody. The difference is that it is the athletic scholarship that substitutes in many cases for the student's desire to get an education. They go to college, frankly, in many colleges like professional athletes. What the NCAA is trying to do is restore some amateurism in athletics at the college level.

My predecessor, Jim O'Hara, who operated for a long time as chairman of the Postsecondary Education Subcommittee, told me when I took it over in 1977, that I was going to learn from dealing with the athletic directors from around the country, that intercollegiate athletics were to sport as professional wrestling was to sport. That, unfortunately, became more and more the case.

We all sympathize with what the NCAA was doing in this case, but what they are trying to do is counter the situation that occurs when you offer a person a paid trip to college, and that is the real reason they go with some requirement. The people who are applying for student aid to go to college are applying because their principal purpose is not to play football or basketball but to get an education for their future life. It would be mischievous primarily because it is an egregious intrusion on the independence of 4-year colleges.

Mr. Chairman, I must oppose the amendment.

Mr. COLEMAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. FORD of Michigan. I yield to the gentleman from Missouri.

Mr. COLEMAN of Missouri. Mr. Chairman, I just want it to be noted that the gentleman from Oklahoma [Mr. McCURDY] has taken eligibility criteria for college athletes and applied it somehow as an academic standard for the entire universe of our college students who now want to receive student aid.

I think there are many different reasons to require athletes to have a certain modicum of standing in their high school class or on a test, as the NCAA has encouraged through their rulemaking ability. However, it is entirely something different to say to a student in high school competing with every other student in high school in the senior class that if they happen to fall in the lowest 55 percent, their family is going to have to pay everything to send that young person to school. If he had made one more point on the SAT, he might have been eligible for Pell grants and loans.

Who is to say that 55 percent is a standard? Who is to say that any of this is the standard? The NCAA is not the law, and they have pushed this into statute form. They are a voluntary association of institutions who want to conform to their rules, but to have their academic eligibility rules pulled out of context and put into Federal statute is completely beyond belief to me.

I am for high achievement and I am for some standards, but to say that the NCAA is going to recommend what we do with billions of dollars worth of loans and grants for whatever purpose they may have next week is not the thing that the Congress ought to adopt.

I think it is totally unfair to people who make a 2.2, or a 2.1, a 2.3, or a 2.4, or whatever it is below 2.5, to close the door on them and say the Federal Government has given up on them. "Don't bother to go to school. Become a dropout." If they do not, they are not going to be able to go to college or technical school, and if this becomes law, there is no reason to continue. They will just drop out of high school.

This is a very bad amendment. I know it is well motivated, but the impact of this is tremendous. I hope the gentleman recognizes that in trying to raise standards in some form, he is really, I think, going to do just the opposite for those students who are not A students or B students, we cannot slam the door on those kids.

Mr. McCURDY. Mr. Chairman, will the gentleman yield?

Mr. FORD of Michigan. I yield to the gentleman from Oklahoma.

Mr. McCURDY. Mr. Chairman, I appreciate the gentleman's yielding.

I am not trying to make this an adversarial conversation by any means, because I think it is something we need to discuss at least in this bill since we have this opportunity on the floor.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. FORD] has expired.

(On request of Mr. McCURDY, and by unanimous consent, Mr. FORD was allowed to proceed for 5 additional minutes.)

Mr. McCURDY. Mr. Chairman, will the gentleman yield further?

Mr. FORD of Michigan. I yield to the gentleman from Oklahoma.

Mr. McCURDY. Mr. Chairman, it is not the intent to have massive intrusion. For the gentleman from Missouri to say that by failing either to score in the 55th percentile or have a 2.5—not and, but or—that somehow they have cut all these people off, I ask, "What about the students that work very hard and that score higher than that, that make their grade points? Just because their parents make $31,000 as opposed to $30,000, whatever the magic cutoff is——

Mr. FORD of Michigan. Mr. Chairman, reclaiming my time, this bill takes care of that person. The gentleman is now talking about an issue that this bill is going to solve. There is no $31,000 family income after this bill is passed.

Mr. McCURDY. On Pell or loans?

Mr. FORD of Michigan. Pell goes all the way to $49,000.

Mr. McCURDY. But the middle class is affected by that.

Mr. FORD of Michigan. The middle class has no income cap for guaranteed student loans in this bill. Your children and mine could get a loan under this bill. They will not get interest subsidies paid for them. They will pay back more money than a poor kid would pay back, but they have the same access to the loan.

Mr. McCURDY. Mr. Chairman, if the gentleman will yield further, the point is that I find it inconsistent for one to say that you support standards but then when you come in with a minimal standard, the 2.5 or 55th percentile, which is what the NCAA feels is right, the NCAA is not more concerned about restoring amateurism but more concerned about the poor graduation rate, and they have found in their studies that there is a correlation between college graduation and entrance requirements, and that if you do set a standard, even though they may be a tremendous athlete, they also have to realize there is an obligation of work in the academic sector. This is not an intent upon depriving individuals of an opportunity to receive Federal assistance. What they are trying to do is raise standards so they will work a little harder and so that the potential for graduation is greater and the student loan defaults are reduced.

Mr. FORD of Michigan. Mr. Chairman, let me just point out that the gentleman from Missouri made his point clear. The NCAA is a voluntary association. Any college or university that is faced with a new regulation by the NCAA has a perfect right to ignore it, but they cannot play against other NCAA teams. They voluntarily assume the responsibility that the NCAA puts against them. On the other hand, for years we have provided in the Federal law prohibitions against Federal control of education.

Let me quote:

> No provision of any applicable program shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direct supervision or control over the curriculum, program of instruction, administration, or personnel of any educational institution, school, or school system.

And it goes on further.

□ 1410

We have assured these people that we are not going to have governmental intrusion into what has been traditionally within their own control, and membership in the NCAA is purely voluntary.

Mr. COLEMAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. FORD of Michigan. I yield to the gentleman from Missouri.

Mr. COLEMAN of Missouri. Mr. Chairman, the gentleman from Oklahoma is bringing us a standard which was adopted by other people for other reasons and trying to apply it to a program that has no relevancy to the reason it was originally adopted by a private organization.

The reason that the NCAA has adopted this for athletes is that athletes are called on to do a lot more than just go to class. They practice 4 and 5 hours a day. They are called on to travel all over this country. They are called on to be out of class. That is why they are concerned about abusing those athletes and having schools utilize those athletes for nonacademic purposes.

What the gentleman is saying is, and he is worried about people from the middle-income families, he is going to turn a lot of these people away. Millions of people from the middle-income families would not qualify under the gentleman's amendment.

Second of all, talk to me about hard-working kids. There are some kids in this country that work very hard to get C's, because that is the level of their talent. Is the gentleman going to tell them they cannot go to school? Is the gentleman going to tell them they cannot get any aid from the Federal Government? Is the gentleman going to put them on the trash heap of dropouts and people in this country because they were not able to go to school?

This is totally taking one context of standards and placing it completely on another set of circumstances.

Mr. McCURDY. Mr. Chairman, will the gentleman yield?

Mr. FORD of Michigan. I yield to the gentleman from Oklahoma.

Mr. McCURDY. Mr. Chairman, the gentleman from Missouri on one hand says he supports standards. On the other hand, he says he cannot deny anyone an opportunity whatsoever.

If we talk about voluntary organizations such as the NCAA, which is setting the minimal standard and at the same time we are talking about taxpayers' dollars, we are talking about $1.3 billion in defaults on student loans every year, which deprive other hard-working students who want to achieve, who may not fit in the category, who are deprived because the other people are not meeting the standards.

To me, that is inconsistent.

Mr. COLEMAN of Missouri. Mr. Chairman, if the gentleman will continue to yield, if the gentleman can show me statistics that show that there is a correlation between the grades that somebody makes in high school and default rates, I would like to see them.

Mr. McCURDY. Mr. Chairman, graduate rates can be shown.

Mr. COLEMAN of Missouri. I want to see documentation that kids in high school that graduate with a 2.5 have a higher default rate on their student loans than kids that made a 2.6.

Mr. McCURDY. Mr. Chairman, if the gentleman will continue to yield, those that default are, those that default have a higher nongraduation rate than those that graduate. And if we have a correlation between entrance requirements and graduation, our default rate is lower. That is how we can make a correlation.

Mr. FORD of Michigan. Mr. Chairman, reclaiming my time, I would like to try once again to point out to the gentleman that superficially this has an appeal, but his appraisal of the default rate is all wrong.

All of us who have worked with this program for the last 25 years can tell the gentleman that the greatest predictor of being a defaulter is being poor, because if you are poor before you go to college, you do not get the good job when you get out of college.

We can tell the gentleman at the entrance time what the pool is from

which the defaulters will come. It has nothing to do with academics. It has to do with family income and family status and race and all kinds of other factors that do not make education equal for everyone in this country.

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. FORD of Michigan. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Chairman, I thank the gentleman for yielding to me.

I have three problems. First of all, I think we need a level playing field. I have a problem when we talk differently about academic and vocational.

My second concern with it is that I can see all sorts of grade inflation taking place in high schools because if they are pretty sure that their youngster is going to be discriminated against, they will find ways to make sure that does not happen.

My third concern deals with the 55 percentile because in education, I can remember helping so many young people get into colleges that probably otherwise would not have been accepted who have done well and are doing very well now. I would be concerned because there are a lot of people who did lousy on the tests.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. FORD] has again expired.

Is there further debate on the amendment offered by the gentleman from Oklahoma [Mr. MCCURDY]?

If not, the question is on the amendment offered by the gentleman from Oklahoma [Mr. MCCURDY].

The amendment was rejected.

The CHAIRMAN. Are there further amendments to title IV?

AMENDMENT OFFERED BY MR. GRADISON

Mr. GRADISON. Mr. Chairman, I offer an amendment, which was printed in the RECORD beginning on page H1698.

The Clerk read as follows:

Amendment offered by Mr. GRADISON:

—Page 233, beginning on line 6, strike out all of Section 439 through page 251, line 15 and insert the following new section.

SEC. 439. STUDENT LOAN MARKETING ASSOCIATION FINANCIAL SAFETY AND SOUNDNESS.

(a) SHORT TITLE.—This section may be cited as the "Government-Sponsored Education Association Financial Safety and Soundness Act of 1992".

(b) CONGRESSIONAL FINDINGS.—The Congress finds that—

(1) the Student Loan Marketing Association has important public missions that are reflected in the statutes establishing the Association;

(2) because the continued ability of the Student Loan Marketing Association to accomplish its public missions is important to providing education in the United States, more effective Federal regulation is needed to reduce the risk of failure of the Association:

(3) the Student Loan Marketing Association currently poses minimal financial risk to the Federal Government;

(4) the Student Loan Marketing Association is not backed by the full faith and credit of the United States;

(5) the entity regulating the Student Loan Marketing Association should have sufficient autonomy from the Association and special interest groups; and

(6) the entity regulating the Student Loan Marketing Association should have the authority to establish capital standards, require financial disclosure, prescribe adequate standards for books and records and other internal controls, conduct examinations when necessary, and enforce compliance with the standards and rules that it establishes.

(c) DEFINITIONS.—For purposes of this Act:

(1) COMPENSATION.—The term "compensation" means any payment of money or the provision of any other thing of current or potential value in connection with employment.

(2) CORE CAPITAL.—The term "core capital" means, with respect to the Student Loan Marketing Association, the sum of the following (as determined in accordance with generally accepted accounting principles):

(A) The par value of outstanding common stock.

(B) The par value of outstanding preferred stock.

(C) Paid-in capital.

(D) Retained earnings.

(3) DIRECTOR.—The term "Director" means the Director of the Office of SLMA Market Examination and Oversight of the Department of Treasury.

(4) ASSOCIATION.—The term "Association" means the Student Loan Marketing Association and any subsidiary thereof, other than the College Construction Loan Insurance Association.

(5) EXECUTIVE OFFICER.—The term "executive officer" means, with respect to the Association, the chief executive officer of the Association, chief financial officer of the Association, president of the Association, vice chairman of the Association, any executive vice president of the Association, and any senior vice president of the Association in charge of a principal business unit, division, or function.

(6) OFFICE.—The term "Office" means the Office of SIMA Market Examination and Oversight of the Department of Treasury.

(7) REGULATORY CAPITAL.—The term "regulatory capital" means, with respect to the Association—

(A) the core capital of the Association plus any allowances for losses (including any allowance for losses related to student loan purchases); plus

(B) any other amounts from sources of funds available to absorb losses incurred by the Association, that the Director by regulation determines are appropriate to include in determining regulatory capital.

(8) SECRETARY.—The term "Secretary" means the Secretary of Treasury.

(9) CAPITAL DISTRIBUTION—

(A) IN GENERAL.—The term "Capital Distribution" means—

(i) a dividend or other distribution in cash or in kind made with respect to any share or other ownership interest of the Association, except a dividend consisting only of shares of the Association;

(ii) a payment made by the Association to repurchase, redeem, retire, or othewise acquire any of its shares, including any extension of credit made to finance an acquisition of such share, or

(iii) a transaction that the Director determines by an order or regulation to be in substance the distribution of capital.

(B) EXCEPTION.—A payment made by the Association to repurchase its shares for the purpose of fulfilling the Association's obligation under an existing employee stock ownership plan that is a qualified plan under Section 401 of the Internal Revenue Code shall not be considered a capital distribution.

(d) ESTABLISHMENT OF OFFICE OF SLMA MARKET EXAMINATION AND OVERSIGHT.—Effective January 1, 1993, there shall be established in the Department of Treasury the Office of SLM Market Examination and Oversight, which shall be an office within the Department.

(e) DIRECTOR.—The Office shall be under the management of a full-time Director, who shall be selected by and report to the Secretary. An individual may not be selected as Director if the individual has served as an executive officer of the Association at any time during the 5-year period ending upon the selection of such individual.

(f) AUTHORITY OF DIRECTOR.—

(1) EXCLUSIVE AUTHORITY.—The Director shall make determinations and take actions that the Director determines necessary with respect to the Association regarding—

(A) examinations of the Association under subsection (z);

(B) decisions to appoint conservators for the Association;

(C) enforcement actions under this Act, including any final decisions in contested administrative enforcement proceedings; and

(D) approval of capital distributions by the Association under section 439(f) of the Higher Education Act.

The authority of the Director under this paragraph shall not be subject to the review or approval of the Secretary.

(2) AUTHORITY SUBJECT TO APPROVAL OF SECRETARY.—Any authority of the Director not referred to in paragraph (1), including the authority to issue rules and regulations, shall be subject to the review and approval of the Secretary, but the Secretary may delegate the authority to review to other officers and employees of the Department of Treasury.

(3) DELEGATION OF AUTHORITY.—The Director may delegate to employees of the Office any of the functions, powers, and duties of the Director, as the Director considers appropriate.

(g) PERSONNEL.—The Director shall hire such employees of the Office as the Director considers necessary to carry out the functions of the Director and the Office.

(h) FUNDING.—

(1) ASSESSMENTS AND FEES.—The Director may establish and collect from the Association such assessments, fees, and other charges that the Director considers necessary so that the amount collected is an amount sufficient to provide for reasonable costs and expenses of the Office of SLMA Market Examination and Oversight, including the expenses of any examinations under subsection (z).

(2) FUND.—There is established in the Treasury of the United States a fund to be known as the SLMA Market Examination and Oversight Fund. Any assessments, fees, and charges collected pursuant to paragraph (1) shall be deposited in the Fund. Amounts in the Fund shall be available, to the extent provided in appropriations Acts—

(A) to carry out the responsibilities of the Director relating to the Association; and

(B) for necessary administrative and nonadministrative expenses of the Office to carry out the purposes of this Act.

(i) ANNUAL REPORTS.—The Director shall submit to the Congress, not later than April

15 of each year, a written report, which shall include—

(1) a description of the actions taken, and being undertaken, by the Director to carry out this Act;

(2) a description of the financial safety and soundness of the Association, including the results and conclusions of the annual examinations of the Association conducted under subsection (z)(1)(A); and

(3) any recommendations for legislation to enhance the financial safety and soundness of the Association.

(j) DISCLOSURE.—The Director of the Office and any conservators and examiners under this Act, shall each submit to the Secretary of Treasury annually during such individual's tenure in such position—

(1) a statement disclosing personal income and finances, which shall be consistent with Federal financial disclosure laws relating to Federal employees; and

(2) a statement certifying that no conflict of interest exists with the position occupied by such individual and describing any circumstance which may reasonably be perceived as a conflict of interest, which shall be consistent with Federal laws relating to conflict of interest.

(k) INFORMATION, RECORDS, AND MEETINGS.—For purposes of subchapter II of chapter 5 of title 5, United States Code (5 U.S.C. 551 et seq.), the Office shall be considered an agency responsible for the regulation or supervision of financial institutions.

(l) REGULATIONS AND ORDERS.—Subject to the approval of the Secretary (as provided in subsection (f)(2)), the Director shall issue any regulations and orders necessary to carry out the duties of the Director and to carry out this Act. The regulations under this subsection shall be issued after notice and opportunity for public comment pursuant to the provisions of section 553 of title 5, United States Code (notwithstanding subsections (b)(B) and (d)(3) of such section).

(m) AMENDMENTS TO THE HIGHER EDUCATION ACT.—Section 439 of the Higher Education Act of 1965 (20 U.S.C. 1087-2) is amended by—

(1) amending subsection (c) 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 1993—

"(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 one 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 an eligible institution' or a director 'affiliated with an eligible lender' mean 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 persons shall be the officers of the Association and shall discharge all such functions, powers, and duties.".

(2) amending subsection (f) 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.—

"(A) 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. All dividends shall be charged against the general surplus account of the Association.

"(B) The Association may not make any capital distribution that would decrease the regulatory capital of the Association (as such term is defined in subsection (c) of the Government-Sponsored Education Association Financial Safety and Soundness Act of 1992) to an amount less than the risk-based capital level for the Association established under subsection (p) of such Act or that would decrease the core capital of the Association (as such term is defined in such subsection (c)) to an amount less than the minimum capital level for the Association established under subsection (q) of such Act, without prior written approval of the payment by the Director of the Office of SLMA Market Examination and Oversight of the Department of Treasury.

"(C) The Director of the Office of SLMA Market Examination and Oversight may require the Association to submit a report to the Director after the declaration of any dividend by the Association and before the payment of the dividend. The report shall be made in such form and under such circumstances and shall contain such information as the Director shall require.";

"(4) SINGLE CLASS OF VOTING COMMON STOCK.—As of the effective date of the Student Loan Marketing Association Financial Safety and Soundness Act of 1992, 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.".

(3) by striking paragraph (h)(2) and inserting the following new paragraph:

"(2) DEBT.—The Association shall insert appropriate language in all of the securities issued by it clearly indicating that such securities, together with the interest thereon, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or any agency or instrumentality thereof other than the Association.".

(4) in paragraph (i)(8) by inserting a period after "thereof" and inserting the following new sentence: Salaries shall be set at such levels as the Board of Directors determines reasonable and comparable with compensation for employment in positions in other similar businesses (including other major financial services companies) involving similar duties and responsibilities, except that a significant portion of potential compensation of all executive officers of the Association shall be based on the performance of the Association"; and by adding at the end the following new paragraph:

"(10)(A) Not later than June 30, 1993, and annually thereafter, the Association shall submit a report to the Congress on (i) the comparability of the compensation policies of the Association with the compensation policies of other similar businesses, (ii) in the aggregate, the percentage of total cash compensation and payments under employee benefit plans (which shall be defined in a manner consistent with the Association's proxy statement for the annual meeting of shareholders for the preceding year) earned by executive officers of the Association during the preceding year that was based on the Association's performance, and (iii) the comparability of the Association's financial performance with the performance of other similar businesses. The report shall include a copy of the Association's proxy statement for the annual meeting of shareholders for the preceding year.

"(B) After the date of the enactment of the Government-Sponsored Education Association Financial Safety and Soundness Act of 1992, the Association may not enter into any agreement or contract to provide any payment of money or other thing of current or potential value in connection with the termination of employment of any executive officer of the Association, unless such agreement or contract is approved in advance by the Secretary of Treasury. The Secretary

may not approve any such agreement or contract unless the Secretary determines that the benefits provided under the agreement or contract are comparable to benefits under such agreements for officers of other public and private entities involved in financial services and education interests who have comparable duties and responsibilities. For purposes of this subparagraph, any renegotiation, amendment, or change after such date of enactment to any such agreement or contract entered into on or before such date of enactment shall be considered entering into an agreement or contract.

"(C) For purposes of this paragraph, the term 'executive officer' has the meaning given the term in subsection (c) of the Government-Sponsored Education Association Financial Safety and Soundness Act of 1992.".

(5) in subsection (j) by adding onto the end thereof the following new sentence: "The programs, activities, receipts, expenditures, and financial transactions of the Association shall be subject to audit by the Comptroller General of the United States under such rules and regulations as may be prescribed by the Comptroller General.".

(6) by adding the following new subsection:

"(r) QUARTERLY REPORTS—

"(1) TIMING.—The Association shall submit to the Director of the Office of SLMA Market Examination and Oversight of the Department of Treasury quarterly reports of the financial condition of the Association which shall be in such form, contain such information, and be submitted on such dates as the Director of the Office of SLMA Market Examination and Oversight shall require.

"(2) Each report of condition shall contain a declaration by the president, vice president, treasurer, or any other officer designated by the Board of Directors of the Association to make such declaration, that the report is true and correct to the best of such officer's knowledge and belief.

"(3) The Director of the Office of SIMA Market Examination and Oversight may require the Association to submit additional reports of financial condition, which shall be in such form, contain such information, and be submitted on such dates as the Director may require. The Director may also require the Association to submit special reports whenever, in the judgment of the Director, such reports are necessary to carry out the purposes of the Government-Sponsored Education Association Financial Safety and Soundness Act of 1992. The Director may not require the inclusion in any such special report of any information that is not reasonably obtainable by the Association. The Director shall notify the Association, a reasonable period in advance of the date for submission of any report, of any specific information to be contained in the report and the date for the submission of the report.".

(7) EFFECTIVE DATE.—Except as otherwise provided in this subsection and the amendments made by this subsection, the amendments made by this subsection shall take effect on January 1, 1993.

(n) AMENDMENTS TO TITLE 5, UNITED STATES CODE.—

(1) DIRECTOR AT LEVEL II OF EXECUTIVE SCHEDULE.—Section 5313 of title 5, United States Code, is amended by inserting at the end the following new item: "Director of the Office of SIMA Market Examination and oversight, Department of Treasury.".

(2) DEFINITION OF AGENCY.—Section 3132(a)(1)(D) of title 5, United States Code, is amended by inserting "the Office of SIMA Market Examination and Oversight of the Department of Treasury," after "Farm Credit Administration,".

(o) IMPLEMENTATION.—

(1) IN GENERAL.—The Secretary of Treasury and the Director of the Office of SIMA Market Examination and Oversight of the Department of Treasury, as appropriate, shall issue final regulations providing for the implementation of the provisions of this Act and the amendments made by this Act not later than the expiration of the 18-month period beginning on the date of the enactment of this Act. Such regulations shall clearly delineate the responsibilities and authority of the Secretary and the Director pursuant to the provisions of and amendments made by this Act. Any regulations issued by the Director pursuant to this subsection shall be issued under the authority provided in subsection (1).

(2) NOTICE AND COMMENT.—The regulations under this subsection shall be issued after notice and opportunity for public comment pursuant to the provisions of section 533 of title 5, United States Code (notwithstanding subsections (b)(B) and (d)(3) of such section).

(p) RISK BASED CAPITAL LEVEL.—

(1) RISK-BASED CAPITAL TEST.—The Director shall, by regulation, establish a risk-based capital test under this subsection for the Association. When applied to the Association, the risk-based capital test shall determine the amount of regulatory capital for the Association that is sufficient for the Association to maintain positive capital during a 10-year period in which both of the following circumstances occur:

(A) CREDIT RISK.—With respect to student loans owed by the Association, other assets or obligations, and other activities of the Association related to credit risk (including any off-balance sheet obligations), the Director will establish risk-based capital requirements based on the expected losses of the various classes of financial assets and obligations occurring on a nationwide basis at a rate that is reasonably related to the worst actual two-year regional (contiguous area of the United States containing an aggregate of not less than 5 percent of the total population of the United States) experience for such financial instruments and activities.

(B) Interest rate risk.—Interest rates on Treasury obligations of varying terms increase or decrease over the first 12 months of such 10-year period by not more than the lesser of (i) 50 percent (with respect to the average interest rates on such obligations during the 12-month period preceding the 10-year period), or (ii) 600 basis points, and remain at such level for the remainder of the period. This subparagraph may not be construed to require the Director to determine interest rate risk under this subparagraph based on the interest rates for various long-term and short-term obligations all increasing or all decreasing concurrently.

(2) CONSIDERATIONS.—In establishing the risk-based capital test under paragraph (1), the Director shall take into account appropriate distinctions based on various types of loans, varying terms of Treasury obligations, and any other factors the Director considers appropriate.

(3) RISK-BASED CAPITAL LEVEL.—For purposes of this Act, the risk-based capital level for the Association shall be equal to the sum of the following amounts:

(A) CREDIT AND INTEREST RATE RISK.—The amount of regulatory capital determined by applying the risk-based capital test under paragraph (1) to the Association, adjusted to account for foreign exchange risk.

(B) MANAGEMENT AND OPERATIONS.—To provide for management and operations risk, the Director shall establish a requirement of regulatory capital that is a fixed percentage of the amount of capital established under the risk-based capital test under paragraph (1).

(4) REGULATIONS.—The Director shall issue final regulations establishing the risk-based capital test under this subsection not later than the expiration of the 2-year period beginning on the date of the enactment of this Act. Such regulations shall contain specific requirements, definitions, methods, variables, and parameters used under the risk-based capital test and in implementing the test (such as loan loss severity, float income, taxes, yield curve slopes, default experience, and prepayment rates). The regulations shall be sufficiently specific to permit an individual other than the Director to apply the test in the same manner as the Director.

(5) AVAILABILITY OF MODEL.—The Director shall make copies of the statistical model or models used to implement the risk-based capital test under this subsection available for public acquisition and may charge a reasonable fee for such copies.

(q) MINIMUM CAPITAL LEVEL.—For purposes of this Act, the minimum capital level for the Association shall be an amount of core capital equal to the sum of—

(1) 2.0 percent of the aggregate on-balance sheet assets of the Association, as determined in accordance with generally accepted accounting principles; and

(2) 0.4 percent of the aggregate off-balance sheet obligations of the Association, as determined in accordance with generally accepted accounting principles.

(r) CRITICAL CAPITAL LEVEL.—For purposes of this Act, the critical capital level for the Association shall be an amount of core capital equal to the sum of—

(1) 1.0 percent of the aggregate on-balance sheet assets of the Association, as determined in accordance with generally accepted accounting principles; and

(2) 0.2 percent of the aggregate off-balance sheet obligations of the Association, as determined in accordance with generally accepted accounting principles.

(s) ENFORCEMENT LEVELS.—

(1) IN GENERAL.—The Director shall classify the Association, for purposes of this Act, according to the following enforcement levels:

(A) LEVEL I.—The Association shall be classified as within level I if it—

(i) maintains an amount of regulatory capital that is equal to or exceeds the risk-based capital level established for the Association under subsection (p); and

(ii) equals or exceeds the minimum capital level for the Association established under subsection (q).

(B) LEVEL II.—The Association shall be classified as within level II if—

(i) the Association—

(a) maintains an amount of regulatory capital that is less than the risk-based capital level established for the Association; and

(b) equals or exceeds the minimum capital level for the Association; or

(ii) the Association is otherwise classified within level II under paragraph (2) of this subsection.

(C) LEVEL III.—The Association shall be classified as within level III if—

(i) the Association—

(a) does not equal or exceed the minimum capital level for the Association; and

(b) equals or exceeds the critical capital level for the Association established under subsection (r); or

(ii) the Association is otherwise classified within level III under paragraph (2) of this subsection.

(D) LEVEL IV.—The Association shall be classified as within level IV if the Association—

(i) does not equal or exceed the critical capital level for the Association; or

(ii) is otherwise classified level IV under paragraph (2) of this subsection.

(2) DISCRETIONARY CLASSIFICATION.—If at any time the Director determines in writing that the Association is taking any action not approved by the Director that could result in a rapid depletion of core capital or that the value of the loans held by the Association has decreased significantly, the Director may classify the Association—

(A) as within level II, if the Association is otherwise within level I;

(B) as within level III, if the Association is otherwise within level II; or

(C) as within level IV, if the Association is otherwise within level III.

(3) QUARTERLY DETERMINATION.—The Director shall determine the classification of the Association for purposes of this Act on not less than a quarterly basis (and as appropriate under paragraph (2)). The first such determination shall be made for the quarter ending March 31, 1993.

(4) NOTICE.—Upon determining under paragraph (2) or (3) that the Association is within level II or III, the Director shall provide written notice to the Congress and to the Association—

(A) that the Association is within such level;

(B) that the Association is subject to the provisions of subsection (t) or (u), as applicable; and

(C) stating the reasons for the classification of the Association within such level.

(5) IMPLEMENTATION.—Notwithstanding paragraph (1)(A), during the period beginning on the date of the enactment of this Act and ending upon the effective date of subsection (t) (as provided in paragraph (t)(4)), the Association shall be classified as within level I if the Association equals or exceeds the applicable minimum capital level for the Association under subsection (q).

(t) MANDATORY SUPERVISORY ACTIONS APPLICABLE TO THE ASSOCIATION WITHIN LEVEL II.—

(1) CAPITAL RESTORATION PLAN.—The Association within level II shall, within the time period provided in subsection (x)(2) and in consultation with the Director, submit to the Director a capital restoration plan that complies with subsection (x) and, after approval, carry out the plan.

(2) RESTRICTION ON CAPITAL DISTRIBUTIONS.—The Association within level II may not make any capital distribution that would result in the Association being reclassified as within level III or IV.

(3) RECLASSIFICATION FROM LEVEL II TO LEVEL III.—The Director shall immediately reclassify the Association within level II as within level III (and the Association shall be subject to the provisions of subsection (u), if—

(A) the Association does not submit a capital restoration plan that is substantially in compliance with subsection (x) within the applicable period or the Director does not approve the capital restoration plan submitted by the Association; or

(B) the Director determines that the Association has failed to make, in good faith, reasonable efforts necessary to comply with the capital restoration plan and fulfill the schedule for the plan approved by the Director.

(4) EFFECTIVE DATE.—This subsection shall take effect upon the expiration of the 1-year period beginning on the date of the effectiveness of the regulations issued under subsection (p) establishing the risk-based capital test.

(u) SUPERVISORY ACTIONS APPLICABLE TO THE ASSOCIATION WITHIN LEVEL III.—

(1) MANDATORY SUPERVISORY ACTIONS.—

(A) CAPITAL RESTORATION PLAN.—The Association within level III shall, within the time period provided in subsection (x)(2) and in consultation with the Director, submit to the Director a capital restoration plan that complies with subsection (x) and, after approval, carry out the plan.

(B) RESTRICTIONS ON CAPITAL DISTRIBUTIONS.—

(i) PRIOR APPROVAL.—The Association within level III may not make any capital distribution that would result in the Association being reclassified as within level IV. An Association within level III may make any other capital distribution only if the Director approves the payment before the payment.

(ii) STANDARD FOR APPROVAL.—The Director may approve a capital distribution by the Association within level III only if the Director determines that the payment (a) will enhance the ability of the Association to meet the risk-based capital level and the minimum capital level for the Association promptly, (b) will contribute to the long-term safety and soundness of the Association, or (c) is otherwise in the public interest.

(C) APPROVAL OF ACTIVITIES.—The Association within level III may undertake an activity subject to the approval of the Secretary of Education or the Secretary of the Treasury under the Higher Education Act only with the additional approval of the Director.

(D) RECLASSIFICATION FROM LEVEL III TO LEVEL IV.—The Director shall immediately reclassify the Association within level III as within level IV (and the Association shall be subject to the provisions of subsection (v)), if—

(i) the Association does not submit a capital restoration plan that is substantially in compliance with subsection (x) within the applicable period or the Director does not approve the capital restoration plan submitted by the Association; or

(ii) the Director determines that the Association has failed to make, in good faith, reasonable efforts necessary to comply with the capital restoration plan and fulfill the schedule for the plan approved by the Director.

(2) DISCRETIONARY SUPERVISORY ACTIONS.—In addition to any other actions taken by the Director (including actions under paragraph (1)), the Director may, at any time, take any of the following actions with respect to the Association within level III:

(A) LIMITATION ON INCREASE IN OBLIGATIONS.—Limit any increase in, or order the reduction of, any obligations of the Association, including off-balance sheet obligations.

(B) LIMITATION ON GROWTH.—Limit or prohibit the growth of the assets of the Association or require contraction of the assets of the Association.

(C) PROHIBITION ON CAPITAL DISTRIBUTIONS.—Prohibit the Association from making any capital distribution.

(D) ACQUISITION OF NEW CAPITAL.—Require the Association to acquire new capital in any form and in any amount sufficient to provide for the reclassification of the Association as within level II.

(E) RESTRICTION OF ACTIVITIES.—Require the Association to terminate, reduce, or modify any activity that the Director determines creates excessive risk to the Association.

(F) CONSERVATORSHIP.—Appoint a conservator for the Association pursuant to subsection (w).

(3) EFFECTIVE DATE.—This subsection shall take effect upon the expiration of the 18-month period beginning on the date of the enactment of this Act.

(v) MANDATORY APPOINTMENT OF CONSERVATOR FOR THE ASSOCIATION WITHIN LEVEL IV.—

(1) NOTICE.—Upon determining that the Association is within level IV, the Director shall provide written notice to the Congress and to the Association—

(A) that the Association is within level IV;

(B) that a conservator shall be appointed for the Association pursuant to this section.

(2) APPOINTMENT.—If the Director determines that the Association is within level IV, the Director shall, not later than 30 days after providing notice under paragraph (1), appoint a conservator for the Association. A conservator appointed pursuant to this subsection shall have the authority, in the discretion of the conservator, to take any actions under subsections (t) and (u) not inconsistent with the authority of the conservator and to take any other actions authorized under subsection (w).

(3) APPROVAL OF ACTIVITIES.—The conservator of any Association within level IV may undertake an activity subject to the approval of the Secretary of Education or the Secretary of the Treasury under the Higher Education Act only with the additional approval of the Director.

(4) EFFECTIVE DATE.—This subsection shall take effect on January 1, 1993.

(w) CONSERVATORSHIP.—

(1) APPOINTMENT.—

(A) DISCRETIONARY AUTHORITY.—The Director may, after providing notice under subparagraph (B), appoint a conservator for the Association upon a determination—

(i) that the Association is not likely to pay its obligations in the normal course of business;

(ii) that—

(a) the Association has incurred or is likely to incur losses that will deplete all or substantially all of its core capital; and

(b) there is no reasonable likelihood that the Association will replenish its core capital without Federal assistance;

(iii) that the Association has concealed books, papers, records, or assets of the Association that are material to the discharge of the Director's responsibilities under this Act, or has refused to submit such books, papers, records, or information regarding the affairs of the Association for inspection to the Director upon request; or

(iv) that the Association is classified within level III.

(B) NOTICE.—Upon making a determination under subparagraph (A) to appoint a conservator under this subsection for the Association, the Director shall provide written notice to the Congress and to the Association—

(i) that a conservator will be appointed for the Association under this subsection;

(ii) stating the reasons under subparagraph (A) for the appointment of the conservator; and

(iii) identifying the person, company, or governmental agency that the Director intends to appoint as conservator.

(2) JUDICIAL REVIEW.—

(A) IN GENERAL.—

(i) TIMING AND JURISDICTION.—Upon the appointment of a conservator (pursuant to this subsection or subsection (v)), the Association

may bring an action in the United States District Court for the District of Columbia, for an order requiring the Director to terminate the appointment of the conservator. The court, upon the merits, shall dismiss such action or shall direct the Director to terminate the appointment of the conservator. Such an action may be commenced only before the expiration of the 20-day period beginning upon the appointment of the conservator.

(ii) STANDARD.—A decision of the Director to appoint a conservator may ,be set aside under this subparagraph only if the court finds that the decision was arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with applicable laws.

(B) STAY.—

(i) IN GENERAL.—A conservator appointed pursuant to this subsection or subsection (v) may request that any judicial action or proceeding to which the conservator or the Association is or may become a party be stayed for a period not exceeding 45 days commencing upon the appointment of the conservator. Upon petition, the court shall grant such stay as to all parties.

(ii) FEDERAL AGENCY AS CONSERVATOR.—In any case in which the conservator appointed for the Association is a Federal agency or an officer or employee of the Federal Government, the conservator may make a request for a stay under clause (i) only with the prior consent of the Attorney General and subject to the direction and control of the Attorney General.

(C) ACTIONS AND ORDERS.—

(i) LIMITATION ON JURISDICTION.—Except as otherwise provided in this paragraph, no court may take any action regarding the removal of a conservator or otherwise restrain or affect the exercise of powers or functions of a conservator.

(ii) ENFORCEMENT OF ORDERS.—The Director, with the prior consent of the Attorney General and subject to the direction and control of the Attorney General, may apply to a court which shall have the jurisdiction to enforce an order of the Director relating to—

(a) the conservatorship and the Association in conservatorship; or

(b) restraining or affecting the exercise of authority or functions of a conservator.

(3) APPOINTMENT BY CONSENT.—Notwithstanding paragraph (1), the Director may appoint a conservator for the Association if the Association, by an affirmative vote of a majority of its board of directors or by an affirmative vote of a majority of its shareholders, consents to such appointment.

(4) EXCLUSIVE APPOINTMENT AUTHORITY AND LIMITATION.—The Director shall have exclusive authority to appoint a conservator for the Association. The Director may not appoint as a conservator for the Association the Office of SLMA Market Examination and Oversight, the Department of Treasury, the Department of Education, or any officer or employee of such Office or Departments.

(5) REPLACEMENT OF CONSERVATOR.—The Director may, without notice of hearing, replace a conservator with another conservator. Such replacement shall not affect the right of the Association under paragraph (2) to obtain judicial review of the decision of the Director to appoint a conservator.

(6) EXAMINATIONS.—The Director may examine and supervise any Association in conservatorship during the period in which the Association continues to operate as a going concern.

(7) TERMINATION.—

(A) DISCRETIONARY.—At any time the Director determines that termination of a conservatorship pursuant to an appointment under paragraph (1) is in the public interest and may safety be accomplished, the Director may terminate the conservatorship and permit the Association to resume the transaction of its business subject to such terms, conditions, and limitations as the Director may prescribe.

(B) MANDATORY.—Except upon a determination under paragraph (1), the Director shall terminate a conservatorship pursuant to this subsection or subsection (v) upon a determination by the Director that the Association equals or exceeds the minimum capital level for the Association established under subsection (q). The Director may not impose any terms, conditions, or limitations on the transaction of business of the Association whose conservatorship is terminated under this subparagraph.

(8) POWERS AND DUTIES.—

(A) GENERAL POWERS.—A conservator shall have all the powers of the shareholders, directors, and officers of the Association under conservatorship and may operate the Association in the name of the Association, unless the Director provides otherwise.

(B) LIMITATIONS BY DIRECTOR.—A conservator shall be subject to any rules, regulations, and orders issued from time to time by the Director and, except as otherwise specifically provided in such rules, regulations, or orders or in paragraph (9), shall have the same rights and privileges and be subject to the same duties, restrictions, penalties, conditions, and limitations applicable to directors, officers, or employees of the Association.

(C) PAYMENT OF CREDITORS.—The Director may require a conservator to set aside and make available for payment to creditors any amounts that the Director determines may safely be used for such purpose. All creditors who are similarly situated shall be treated in a similar manner.

(D) COMPENSATION OF CONSERVATOR AND EMPLOYEES.—A conservator and professional employees (other than Federal employees) appointed to represent or assist the conservator may be compensated for activities conducted as conservator. Compensation may not be provided in amounts greater than the compensation paid to employees of the Federal Government or similar services, except that the Director may provide for compensation at higher rates (but not in excess of rates prevailing in the private sector), if the Director determines that compensation at higher rates is necessary in order to recruit and retain competent personnel.

(E) EXPENSES.—All expenses of a conservatorship pursuant to this subsection (including compensation under subparagraph (D)) shall be paid by the Association and shall be secured by a lien on the Association, which shall have priority over any other lien.

(9) LIABILITY PROTECTIONS.—

(A) FEDERAL AGENCIES AND EMPLOYEES.—In any case in which the conservator is a Federal agency or an officer or employee of the Federal Government, the provisions of chapters 161 and 171 of title 28, United States Code, shall apply with respect to the liability of the conservator for acts or omissions performed pursuant to and in the course of the duties and responsibilities of the conservatorship.

(B) OTHER CONSERVATORS.—In any case where the conservator is not a conservator described in subparagraph (A), the conservator shall not be personally liable for damages in tort or otherwise for acts or omissions performed pursuant to and in the course of the duties and responsibilities of the conservatorship, unless such acts or omissions constitute gross negligence, including any similar conduct or any form of intentional tortious conduct.

(C) INDEMNIFICATION.—The Director, with the approval of the Attorne General, may indemnify the conservator on such terms as the Director considers appropriate.

(x) CAPITAL RESTORATION PLANS.—

(1) CONTENTS.—Each capital restoration plan submitted under this Act shall set forth a feasible plan for the Association to equal or exceed the minimum capital level for the Association and for restoring the level of regulatory capital of the Association subject to the plan to not less than the risk-based capital level for the Association. Each capital restoration plan shall—

(A) specify the level of capital the Association will achieve and maintain;

(B) describe the actions that the Association will take to equal or exceed the minimum capital level for the Association and to restore the regulatory capital of the Association to not less than the risk-based capital level for the Association;

(C) establish a schedule for completing the capital restoration plan;

(D) specify the types and levels of activities in which the Association will engage during the term of the capital restoration plan; and

(E) describe the actions that the Association will take to comply with any mandatory and discretionary requirements imposed under this Act.

(2) DEADLINES FOR SUBMISSION.—The Director shall, by regulation, establish a deadline for submission of a capital restoration plan, which may not be more than 45 days after the Association is notified in writing that a plan is required. The regulations shall provide that the Director may extend the deadline to the extent that the Director determines necessary. Any extension of the deadline shall be in writing and for a time certain.

(3) APPROVAL.—The Director shall review each capital restoration plan submitted under this subsection and, not later than 45 days after submission of the plan, approve or disapprove the plan. The Director may extend the period for approval or disapproval for any plan for a single additional 45-day period if the Director determines it necessary. The Director shall notify any Association submitting a plan in writing of the approval or disapproval for the plan (which shall include the reasons for any disapproval of the plan) and of any extension of the period for approval or disapproval. The Director shall provide by regulation for resubmission and review of any plans disapproved.

(y) JUDICIAL REVIEW OF DIRECTOR ACTION—GENERALLY.—

(1) JURISDICTION.—

(A) FILING OF PETITION.—Except as otherwise provided in this act, the Association within level I, II, or III, that is the subject of a mandatory or discretionary supervisory action taken under this Act by the Director (other than action under subsection (v), (w), (bb), (cc) or (gg)) may obtain review of the action by filing, within 10 days after receiving written notice of the Director's action, a written petition requesting that the action of the Director be modified, terminated, or set aside.

(B) PLACE FOR FILING.—A petition filed pursuant to this subsection shall be filed in the United States Court of Appeals for the District of Columbia Circuit.

(2) SCOPE OF REVIEW.—An action taken by the Director under this Act (other than under subsection (v), (w), (bb), (cc) or (gg)) may be modified, terminated, or set aside only if the court finds, on the record on which the Director acted, that the action of the Director was arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with applicable laws.

(3) UNAVAILABILITY OF STAY.—The commencement of proceedings for judicial review pursuant to this subsection shall not operate as a stay of any action taken by the Director. Except with respect to any Association within level I or II that has not been reclassified to level III under subsection (s)(2) or (t)(3), no court shall have jurisdiction to stay, enjoin, or otherwise delay any mandatory or discretionary supervisory enforcement action taken by the Director under this Act pending judicial review of the action.

(4) LIMITATION ON JURISDICTION.—Except as provided in this subsection, no court shall have jurisdiction to affect, by injunction or otherwise, the issuance or effectiveness of any action of the Director under this Act (other than action under subsection (v), (w), (bb), (cc), or (gg)) or to review, modify, suspend, terminate, or set aside such action.

(z) EXAMINATIONS.—

(1) TIMING.—

(A) ANNUAL EXAMINATION.—The Director shall annually conduct an examination under this subsection of the Association to determine the condition of the Association for the purpose of ensuring its financial safety and soundness.

(B) OTHER EXAMINATIONS.—Whenever the Director determines that an examination is necessary to determine the condition of the Association for the purpose of ensuring its financial safety and soundness the Director may conduct an examination under this subsection.

(2) EXAMINERS.—The Director shall appoint examiners to conduct examinations of the Association under this subsection.

(3) TECHNICAL EXPERTS.—The Director may obtain the services of any technical experts the Director considers necessary and appropriate to provide temporary technical assistance relating to examinations to the Director and officers and employees of the Office of SLMA Market Examination and Oversight. The Director shall describe, in the public record of each examination, the nature and extent of any such temporary technical assistance.

(4) OATHS, EVIDENCE, SUBPOENA POWERS.—In connection with examinations under this subsection, the Director may—

(A) administer oaths and affirmations;

(B) take and preserve testimony under oath; and

(C) issue subpoenas requiring the attendance and testimony of witnesses and the production of evidence.

The attendance of witnesses and the production of evidence may be required from any place within any State at any designated place where a hearing relating to an examination is conducted.

(5) SECOND EXAMINATION BY GAO.—Upon a determination by the Director that an examination of the Association is necessary under paragraph (1)(B), the Comptroller General shall conduct an examination of the Association solely to provide an independent determination regarding the safety and soundness of the Association. The examination shall be conducted at a time and in a manner that results in minimal disruption to the normal business activities of the Association. The Comptroller General may obtain the services of technical experts in the same manner as the Director may obtain such services under paragraph (3), except that any entity that assists the Director in examining the Association may not concurrently assist the Comptroller General to examine the Association under this subsection.

(aa) SAFE HARBOR.—

(1) VOLUNTARY RATINGS.—Upon request from the Association, the Director shall contract with two nationally recognized statistical rating organizations—

(A) to assess the likelihood that the Association might not be able to meet its future obligations from its own resources and to express that likelihood as a traditional credit rating; and

(B) to review the rating of the Association for one year from the effective date of the rating.

(2) QUALIFICATION FOR SAFE HARBOR.—

(A) DETERMINATION BY DIRECTOR.—If, after receiving a rating from each statistical rating organization described in paragraph (1), the Director determines that the Association merits the highest investment grade rating awarded by that organization, the Association shall be deemed, effective for one year following the date of the Director's determination, to meet the minimum risk-based capital levels for all relevant capital measures for purposes of subsection(s).

(B) WRITTEN FINDING REQUIRED.—If—

(i) each statistical rating organization described in paragraph (1) assigns the Association the highest investment grade rating awarded by that organization, and

(ii) the Director fails to make the determination described in subparagraph (A),

the Director shall make a written finding detailing the reasons for the Director's failure to make such determination.

(3) EARLY TERMINATION OF SAFE HARBOR.—Paragraph (2) shall cease to apply at such time as any such statistical rating organization described in paragraph (1) notifies the Director, and the Director determines, that the Association no longer merits the highest investment grade rating awarded by that organization. The Director shall promptly notify the Association that the Director has received the notice described in this paragraph.

(4) ASSESSMENTS FOR RATINGS.—The Director shall impose and collect an assessment on the Association, if it requests ratings under paragraph (1), to cover the full cost to the Federal Government of obtaining the ratings.

(5) DISCRETIONARY RATINGS.—Nothing in this subsection shall prevent the Director from contracting with any nationally recognized statistical rating organization to rate the Association at any time and for any purpose that the Director deems appropriate.

(6) DEFINITION OF NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION.—For purposes of this subsection, the term "nationally recognized statistical rating organization" means any entity effectively recognized by the Division of Market Regulation of the Securities and Exchange Commission as a nationally recognized statistical rating organization for the purposes of the capital rates for broker-dealers.

(bb) CEASE-AND-DESIST PROCEEDINGS.—

(1) GROUNDS FOR ISSUANCE.—The Director may issue and serve upon the Association or any executive officer of the Association a notice of charges under this subsection if, in the determination of the Director, the Association or executive officer—

(A) is engaging or has engaged, or the Director has reasonable cause to believe that the Association or executive officer is about to engage, in any activity that could result in a rapid depletion of the core capital of the Association; or

(B) is violating or has violated, or the Director has reasonable cause to believe that the Association or executive officer is about to violate—

(i) any law, rule, or regulation; or

(ii) any written agreement entered into by the Association with the Director.

(2) PROCEDURE.—

(A) NOTICE OF CHARGES.—Each notice of charges shall contain a statement of the facts constituting the alleged violation or violations or the activity that could result in a rapid depletion of the core capital of the Association, and shall fix a time and place at which a hearing will be held to determine whether an order to cease and desist from such violation or activity should issue against the Association or executive officer.

(B) DATE OF HEARING.—A hearing pursuant to a notice under subparagraph (A) shall be fixed for a date not earlier than 30 days nor later than 60 days after service of the notice unless an earlier or a later date is met by the Director at the request of the Association or executive officer served.

(C) FAILURE TO APPEAR.—Unless the Association or executive officer served appears at the hearing through a duly authorized representative, the Association or executive officer shall be deemed to have consented to the issuance of the cease-and-desist order.

(D) ISSUANCE OF ORDER.—In the event of such consent, or if, upon the record made at any such hearing, the Director finds that any violation or activity specified in the notice of charges has been established, the Director may issue and serve upon the Association or executive officer an order requiring the Association or executive officer to cease and desist from any such violation or activity and to take affirmative action to correct the conditions resulting from any such violation or activity.

(3) AFFIRMATIVE ACTION TO CORRECT CONDITIONS RESULTING FROM VIOLATIONS OR ACTIVITIES.—The authority under this subsection and subsection (cc) to issue any order which requires the Association or executive officer to take affirmative action to correct or remedy any conditions resulting from any violation or activity with respect to which such order is issued includes the authority to require such Association or executive officer—

(A) to make restitution or provide reimbursement, indemnification, or guarantee against loss if the violation or activity involves a reckless disregard for the law or any applicable regulations or prior order of the Director or the Association or executive officer was unjustly enriched in connection with such violation or practice;

(B) to restrict the growth of the Association;

(C) to dispose of any asset involved;

(D) to rescind agreements or contracts;

(E) to employ qualified officers or employees (who may be subject to approval by the Director at the direction of the Director); and

(F) to take such other action as the Director determines appropriate.

(4) AUTHORITY TO LIMIT ACTIVITIES.—The authority to issue an order under this subsection or subsection (cc) includes the authority to place limitations on the activities or functions of the Association or any director or executive officer of the Association.

(5) EFFECTIVE DATE.—A cease-and-desist order under this subsection shall become effective upon the expiration of the 30-day pe-

riod beginning on the service of the order upon the Association or executive officer concerned (except in the case of a cease-and-desist order issued upon consent, which shall become effective at the time specified therein), and shall remain effective and enforceable as provided in the order, except to the extent that the order is stayed, modified, terminated, or set aside by action of the Director or otherwise as provided in this Act.

(cc) TEMPORARY CEASE-AND-DESIST ORDERS.—

(1) GROUNDS FOR ISSUANCE AND SCOPE.—Whenever the Director determines that any violation, threatened violation, or activity that could result in a rapid depletion of the capital of the Association, specified in the notice of charges served upon the Association or executive officer pursuant to subsection (bb)(1), or the continuation thereof, is likely—

(A) to cause insolvency of the Association, or

(B) to weaken the condition of the Association prior to the completion of the proceedings conducted pursuant to subsection (bb)(2),

the Director may issue a temporary order requiring the Association or executive officer to cease-and-desist from any such violation or practice and to take affirmative action to prevent and remedy such insolvency or condition pending completion of such proceedings. Such order may include any requirement authorized under subsection (bb)(3).

(2) EFFECTIVE DATE.—An order issued pursuant to paragraph (1) shall become effective upon service upon the Association or executive officer and, unless set aside, limited, or suspended by a court in proceedings pursuant to paragraph (4), shall remain in effect and enforceable pending the completion of this proceedings pursuant to such notice and shall remain effective until the Director dismisses the charges specified in the notice or until superseded by a cease-and-desist order issued pursuant to subsection (bb).

(3) INCOMPLETE OR INACCURATE RECORDS.—

(A) TEMPORARY ORDER.—If a notice of charges served under subsection (bb)(1) specifies that the books and records of the Association served are so incomplete or inaccurate that the Director is unable, through the normal supervisory process, to determine the financial condition of the Association or the details or the purpose of any transaction or transactions that may have a material effect on the financial condition of that Association, the Director may issue a temporary order requiring—

(i) the cessation of any activity or practice which gave rise, whether in whole or in part, to the incomplete or inaccurate state of the books or records; or

(ii) affirmative action to restore the books or records to a complete and accurate state, until the completion of the proceedings under subsection (bb).

(B) EFFECTIVE PERIOD.—Any temporary order issued under subparagraph (A)—

(i) shall become effective upon service; and

(ii) unless set aside, limited, or suspended by a court in proceedings pursuant to paragraph (4), shall remain in effect and enforceable until the earlier of—

(a) the completion of the proceeding initiated under subsection (bb) in connection with the notice of charges; or

(b) the date the Director determines, by examination or otherwise, that the books and records of the Association are accurate and reflect the financial condition of the Association.

(4) JUDICIAL REVIEW.—Within 10 days after the Association or executive officer has been served with a temporary cease-and-desist order pursuant to this subsection, the Association or executive officer may apply to the United States District Court for the District of Columbia for an injunction setting aside, limiting, or suspending the enforcement, operation, or effectiveness of the order pending the completion of the administrative proceedings pursuant to the notice of charges served upon the Association or executive officer under subsection (bb)(1). Such court shall have jurisdiction to issue such injunction.

(5) ENFORCEMENT BY ATTORNEY GENERAL.—In the case of violation or threatened violation of, or failure to obey, a temporary order issued pursuant to this subsection, the Director may request the Attorney General of the United States to bring an action in the United States District Court for the District of Columbia for an injunction to enforce such order. If the court finds any such violation, threatened violation, or failure to obey, the court shall issue such injunction.

(dd) HEARINGS.—

(1) VENUE AND PROCEDURE.—Any hearing under subsection (bb), (cc), or (gg)—

(A) shall be held in the Federal judicial district or in the territory in which the home office of the Association is located unless the Association consents to another place; and

(B) shall be conducted in accordance with the provisions of chapter 5 of title 5, United States Code.

(2) ISSUANCE OF ORDER.—

(A) IN GENERAL.—After any such hearing, and within 90 days after the Director has notified the parties that the case has been submitted to the Director for final decision, the Director shall render the decision (which shall include findings of fact upon which the decision is predicated) and shall issue and serve upon each party to the proceeding an order or orders consistent with the provisions of this Act.

(B) MODIFICATION.—Except as provided in subsection (cc)(4), judicial review of any such order shall be exclusively as provided in subsection (ee). Unless such a petition for review is timely filed as provided in subsection (ee), and thereafter until the record in the proceeding has been filed as so provided, the Director may at any time, modify, terminate, or set aside any such order, upon such notice and in such manner as the Director considers proper. Upon such filing of the record, the Director may modify, terminate, or set aside any such order with permission of the court.

(ee) JUDICIAL REVIEW OF CEASE-AND-DESIST ORDERS AND CIVIL MONEY PENALTIES.—

(1) COMMENCEMENT.—Any party to a proceeding under subsection (bb) or (gg) may obtain review of any final order issued under such subsection by filing in the United States Court of Appeals for the District of Columbia Circuit, within 30 days after the date of service of such order, a written petition praying that the order of the Director be modified, terminated, or set aside. The clerk of the court shall transmit a copy of the petition to the Director.

(2) FILING OF RECORD.—Upon receiving a copy of a petition, the Director shall file in the court the record in the proceeding, as provided in section 2112 of title 28, United States Code.

(3) JURISDICTION.—Upon the filing of a petition, such court shall have jurisdiction, which upon the filing of the record by the Director shall (except as provided in the last sentence of subsection (dd)(2)(B)) be exclusive, to affirm, modify, terminate, or set aside, in whole or in part, the order of the Director.

(4) REVIEW.—Review of such proceedings shall be governed by chapter 7 of title 5, United States Code.

(5) ORDER TO PAY PENALTY.—Notwithstanding any other provision of law, such court shall have the authority in any such review to order payment any penalty imposed by the Director under this Act.

(6) NO AUTOMATIC STAY.—The commencement of proceedings for judicial review under this subsection shall not, unless specifically ordered by the court, operate as a stay of any order issued by the Director.

(ff) ENFORCEMENT AND JURISDICTION.—

(1) ENFORCEMENT.—The Director may request the Attorney General of the United States to bring an action in the United States District Court for the District of Columbia for the enforcement of any effective notice or order issued under this Act, and the court shall have jurisdiction and power to order and require compliance herewith.

(2) LIMITATION ON JURISDICTION.—Except as otherwise provided in this Act, no court shall have jurisdiction to affect, by injunction or otherwise, the issuance or enforcement of any notice or order under subsection (bb) or (cc), or to review, modify, suspend, terminate, or set aside any such notice or order.

(gg) CIVIL MONEY PENALTIES.—

(1) FAILURE TO SUBMIT REPORTS.—The Director may impose a civil money penalty, in accordance with the provisions of this subsection, on any Association that fails to make any report required under section 439(r) of the Higher Education Act within the period of time established by the Director for submission of the report (except in the case of a report submitted minimally late). The amount of the penalty, as determined by the Director, may not exceed $5,000 per day for each day during which such failure continues.

(2) UNINTENTIONAL VIOLATIONS.—The Director may impose a civil money penalty, in accordance with the provisions of this subsection, on any Association that, without knowledge—

(A) violates any law, rule, or regulation;

(B) violates any final order or temporary order issued pursuant to subsection (bb) or (cc); or

(C) violates any written agreement between the Association and the Director.

The amount of the penalty, as determined by the Director, may not exceed $5,000 for each day during which such violation continues.

(3) INTENTIONAL VIOLATIONS.—The Director may impose a civil money penalty, in accordance with the provisions of this subsection, on any Association that—

(A) submits to the Director any false or misleading report or information with actual knowledge of inaccuracy, deliberate ignorance of inaccuracy, or reckless disregard for accuracy; or

(B) knowingly commits any violation described in paragraph (2).

The amount of the penalty, as determined by the Director, may not exceed, for each day during which such violation, practice, or breach continues, the lesser of (i) $1,000,000, or (ii) one percent of the total assets of the Association.

(4) PROCEDURES.—

(A) ESTABLISHMENT.—The Director shall establish standards and procedures governing the imposition of civil money penalties under paragraphs (1), (2), or (3). The standards and procedures—

(i) shall provide for the Director to make the determination to impose the penalty;

(ii) shall provide for the imposition of a penalty only after the Association has been given notice of, and opportunity for, a hearing on the record; and

(iii) may provide for review by the Director of any determination or order, or interlocutory ruling, arising from a hearing.

(B) FINAL ORDERS.—If the Association does not request a hearing within 20 days after receipt of a notice of opportunity for hearing, the imposition of a penalty shall constitute a final and unappealable determination. If the Director reviews the determination on order, the Director may affirm, modify, or reverse the determination or order, and shall state with reasonable specificity the basis upon which any such affirmation, modification, or reversal is made. If the Director does not review the determination or order within 90 days after the issuance of the determination or order, the determination or order shall be final.

(C) FACTORS IN DETERMINING AMOUNT OF PENALTY.—In determining the amount of a penalty under paragraph (1), (2), or (3), the Director shall give consideration to such factors as the gravity of the violation, any history of prior violations (including violations occurring before the date under paragraph (9)), the effect of the penalty on the safety and soundness of the Association, any injury to the public, any benefits received, and deterrence of future violations, and any other factors the Director may determine by regulation.

(D) REVIEW OF IMPOSITION OF PENALTY.—The determination or order of the Director imposing a penalty under paragraph (1), (2), or (3) shall not be subject to review, except as provided in subsection (ee).

(5) ACTION TO COLLECT PENALTY.—If the Association fails to comply with a determination or order of the Director imposing a civil money penalty under paragraph (1), (2), or (3), after the determination or orders is no longer subject to review as provided under paragraph (4)(A) and subsection (ee), the Director may request the Attorney General of the United States to bring an action in the United States District Court for the District of Columbia to obtain a monetary judgment against the Association and such other relief as may be available. The monetary judgment may, in the discretion of the court, include any attorneys fees and other expenses incurred by the United States in connection with the action. In an action under this paragraph, the validity and appropriateness of the determination or order of the Director imposing the penalty shall not be subject to review.

(6) SETTLEMENT BY DIRECTOR.—The Director may comprise, modify, or remit any civil money penalty which may be, or has been imposed under this subsection.

(7) AVAILABILITY OF OTHER REMEDIES.—Any civil money penalty under this subsection shall be in addition to any other available civil remedy and may be imposed whether or not the Director imposes other administrative sanctions.

(8) DEPOSIT OF PENALTIES.—The Director shall deposit any civil money penalties collected under this subsection into the general fund of the Treasury.

(9) APPLICABILITY.—This subsection shall apply only to violations under paragraphs (1), (2), and (3) occurring on or after January 1, 1993.

(hh) NOTICE OF SERVICE.—Any service required or authorized to be made by the Director under this Act may be made by registered mail, or in such other manner reasonably calculated to give actual notice as the Director may by regulation or otherwise provide.

(ii) SUBPOENA AUTHORITY.—

(1) IN GENERAL.—In the course of or in connection with any administrative proceeding under this Act, the Director shall have the authority—

(A) to administer oaths and affirmations;

(B) to take or cause to be taken depositions;

(C) to issue subpoenas and subpoenas duces tecum; and

(D) to revoke, quash, or modify subpoenas and subpoenas duces tecum issued by the Director.

(2) WITNESSES AND DOCUMENTS.—The attendance of witnesses and the production of documents provided for in this subsection may be required from any place in any State at any designated place where such proceeding is being conducted.

(3) ENFORCEMENT.—The Director may request the Attorney General of the United States to bring an action in the United States district court for the judicial district in which such proceeding is being conducted, or where the witness resides or conducts business, or the United States District Court for the District of Columbia, for enforcement of any subpoena or subpoena duces tecum issued pursuant to this subsection. Such courts shall have jurisdiction and power to order and require compliance therewith.

(4) FEES AND EXPENSES.—Witnesses subpoenaed under this subsection shall be paid the same fees and mileage that are paid witnesses in the district courts of the United States. Any court having jurisdiction of any proceeding instituted under this subsection by the Association may allow to any such party such reasonable expenses and attorneys fees as the court deems just and proper. Such expenses and fees shall be paid by the Association or from its assets.

(jj) STUDY OF IMPACT OF PRIVATIZATION OF THE ASSOCIATION.—

(1) IN GENERAL.—The Comptroller General of the United States, in consultation with the Secretary of Education and the Secretary of the Treasury, shall conduct and submit to the Congress, not later than the expiration of the 1-year period beginning on the date of the enactment of this Act, a study regarding the effect of repealing the Federal charter of the Student Loan Marketing Association and allowing the Association to continue to operate as a fully private entity.

(2) REQUIREMENTS.—In evaluating the effect of such action, the study shall particularly examine the impact on—

(A) the availability and supply of student loans;

(B) the availability of financing for student loans and the interest rates for such loans in the secondary markets;

(C) the size, liquidity, and stability of the secondary market for student loans; and

(D) the overall banking and financial system

The study shall also examine the direct and indirect monetary benefits that accrue to the Student Loan Marketing Association from its quasi-governmental status.

(3) INFORMATION.—The Student Loan Marketing Association shall provide full and prompt access to the Comptroller General, the Secretary of Education and the Secretary of the Treasury to any books, records, and other information requested for the purposes of conducting the study under this subsection.

Mr. GRADISON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

POINT OF ORDER

Mr. REED. Mr. Chairman, I rise to a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. REED. Mr. Chairman, under section 303(a) of the Congressional Budget Act, it is not in order to consider any amendment which creates new entitlement authority or direct spending authority first effective in a fiscal year prior to the adoption of the budget resolution for that fiscal year.

The instant amendment creates new spending authority first effective in fiscal year 1993 by establishing a new executive level salaried position for the Director of the Office of SLMA Market Examination and Oversight, Department of the Treasury. This position would not be specifically subject to the availability of appropriations.

The fact that the amendment establishes a fund to finance costs under the amendment does not defeat the fact that the Director's salary is not specifically subject to the availability of appropriated funds.

Deschler's Procedure, chapter 13, section 14.5 states that "a provision amending title 5 of the United States Code to provide that certain federal employees 'shall be paid'" specific compensation constitutes new entitlement authority within the definition of section 401(c)(2)(C) of the Budget Act.

Subchapter II of chapter 53, title 5, United States Code, sets forth executive schedule pay rates as minimum fixed rates of pay for designated officers listed in the subchapter which are not specifically subject to appropriations.

As such, the amendment creates new entitlement authority first effective in fiscal year 1993.

Since Congress has yet to agree to the budget resolution for fiscal year 1993, the amendment violates section 303(a) of the Budget Act.

Mr. Chairman, I insist on my point of order.

The CHAIRMAN. Does the gentleman from Ohio [Mr. GRADISON] wish to be heard on the point of order?

Mr. GRADISON. Mr. Chairman, the definition of "new spending authority" contained in the Budget Act refers to budget authority not provided for in advance by appropriation acts. This amendment before us, the one we are debating specifically states the following:

Sallie Mae is required to pay assessments to cover all reasonable costs of the Office created by this amendment. These expenses include administrative costs. Thus no additional Government spending will be occasioned by this amendment.

All expenses of the Office created by this amendment, Mr. Chairman, are explicitly subject to prior appropriations. Thus the definition of new spending authority clearly does not apply.

In addition, Mr. Chairman, identical language was included in H.R. 2900, which was passed by the House last year. That bill did not result in a point of order and both CBO and OMB have indicated that in their opinion, the bill does not result in direct spending.

Mr. Chairman, CBO has reviewed this amendment and determined that it does not contain any new entitlement authority or direct spending.

In conclusion, Mr. Chairman, the entity which will pay the cost of this position and of all other costs under this amendment is a private entity. Thus it cannot be said that Federal funds will be used to pay for this amendment, which in any event is subject to appropriations.

The CHAIRMAN. Does the gentleman from Texas [Mr. PICKLE] wish to be heard on the point of order?

Mr. PICKLE. Mr. Chairman, I simply want to support the remarks of the gentleman from Ohio [Mr. GRADISON] in his contention that it is not a new entitlement. These funds clearly go into specific funds subject to appropriations, and I support the position that the gentleman from Ohio has advocated.

To me, this is clearly not an entitlement and, therefore, we should proceed and rule that the point of order is not well taken.

The CHAIRMAN. Does the gentleman from Rhode Island [Mr. REED] wish to be heard further on the point of order?

Mr. REED. Mr. Chairman, I have just two points: First, the point turns upon the issue of whether there is specific authorization in the trust fund to pay the director's salary. I do not believe that is the case. We would be obligated, the Federal Government, to pay his salary regardless of how much money is in that trust fund.

The second issue is one in which the CBO's role is not really pertinent. The question is whether or not we have passed a budget resolution. Clearly we have not. And this would constitute new authorization prior to passing that resolution.

□ 1420

The CHAIRMAN. Is there further debate on the point of order?

Mr. GRADISON. Very briefly, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio.

Mr. GRADISON. Mr. Chairman, my basic argument is, if there is no appropriation, there is no spending. All this amendment does on the point that we are discussing is to indicate what the salary level would be if an appropriation is later provided.

The CHAIRMAN (Mr. PEASE). If there is no further debate, the Chair is prepared to rule on the point of order.

The offeror of the amendment has made it clear to the Chair that the language of the amendment in creation of this position or at least the payment of the salary of the person holding the position would be subject to appropriation as an administrative or nonadministrative expense, and no payment would occur absent an appropriation. That being the case, the Chair is of the opinion that there would not be a violation of the Budget Act. The point of order is overruled.

The gentleman from Ohio [Mr. GRADISON] is recognized for 5 minutes.

Mr. GRADISON. Mr. Chairman, it is a pleasure to appear before the House with the gentleman from Texas [Mr. PICKLE], my good friend and colleague, in support of this amendment. It is also a pleasure to be here, Mr. Chairman, because in bringing this amendment to the House we are coming before the Members with a proposal which would significantly increase the protection to the taxpayer against potentially large losses should the Student Loan Marketing Association—known as Sallie Mae—ever experience financial difficulty. Yet our amendment is carefully tailored so there will be minimal regulatory intrusion into Sallie Mae's affairs as long as it continues to operate in a safe and prudent manner, as it does today.

Because our amendment would significantly increase the protection of the taxpayer without interfering with Sallie Mae's operations, it has the support of the National Taxpayers Union.

I might also add, Mr. Chairman, that we have received a lengthy letter from the Secretary of the Treasury in strong support of this amendment.

Sallie Mae is currently a well-run corporation with sufficient capital to guard against normal business setbacks.

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. GRADISON. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Chairman, did the gentleman say he had a letter from the Secretary of the Treasury endorsing this?

Mr. GRADISON. Yes, I did.

Mr. FORD of Michigan. I would ask the gentleman, was that the letter by which the Secretary transmitted it to the gentleman? Was that not written over at Treasury?

Mr. GRADISON. No, that is not the case. The proposal which we are presenting was not drafted by the Treasury. It is our proposal, but we are happy to have the Secretary's support.

If the gentleman from Michigan [Mr. FORD], the distinguished chairman, has not seen this letter, perhaps I should take the time of the House to read it. It will require a little extra time, but since the gentleman raised it I think it might be instructive.

Mr. Chairman, let me digress briefly to share with the Members the principal paragraph of this detailed letter from the Secretary of the Treasury. I am quoting:

As the House begins floor consideration of H.R. 4471, the Higher Education Act amendments, I would like to express the administration's support for the Gradison-Pickle amendment. This amendment will ensure the future availability of student loans by safeguarding the financial safety and soundness of the Student Loan Marketing Association (Sallie Mae).

The Omnibus Budget Reconciliation Act of 1990 required Treasury to conduct a study and recommend corrective legislation for all Government-sponsored enterprises (GSEs) to prevent a repeat of the savings and loan crisis of the 1980s. As you and Congressman Pickle have noted, financial institutions that appear sound can rapidly deteriorate at tremendous cost to the taxpayer. In the case of Sallie Mae, there would be an equally unfortunate loser: the American student.

As you know, Sallie Mae currently does not have a financial safety and soundness regulator. The Gradison/Pickle amendment corrects this situation by establishing a strong financial regulator to protect both the taxpayer and students. The amendment requires the regulator to establish appropriate risk-based capital standards which protect against the credit, interest rate, and management and operations risk that are inherent in Sallie Mae's operations. In addition, the amendment provides the regulator with sufficient regulatory authorities to enforce the risk-based capital requirements and provides for prompt corrective action from the regulator in the event of a financial crisis.

Most importantly, your amendment will in no way affect the ability of students to obtain student loans. The language of your amendment has been carefully crafted to ensure that Sallie Mae will not be overburdened by the regulator. The regulator will take enforcement actions only if Sallie Mae's current level of financial safety and soundness significantly deteriorates.

The Office of Management and Budget has advised that there is no objection from the standpoint of the Administration's program to the submission of this letter. I commend your efforts to ensure the safety and soundness of Sallie Mae.

Returning, Mr. Chairman, to my statement, and I thank the gentleman from Michigan [Mr. FORD] for calling attention to the letter of the Secretary of the Treasury, that was very helpful, Sallie Mae is currently a well-run corporation with sufficient capital to guard against normal business setbacks.

During the past few years, however, it has significantly reduced its capital levels in an effort to increase returns to shareholders. In 1985, Sallie Mae had capital equal to 4.7 percent of its assets. This level has now fallen to 2.5 percent. While this capital level is safe, the recent buydown emphasizes the tradeoff between shareholder benefits and taxpayer protection. It also emphasizes the need for a minimum statutory level of capital.

Our amendment will impose only minimal requirements on Sallie Mae, as long as it stays healthy. Assuming that Sallie Mae retains its current

AAA rating, the only requirements it will face are the need for an annual audit. Some will argue that we have given the regulator too many powers.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. GRADISON] has expired.

(By unanimous consent, Mr. GRADISON was allowed to proceed for 5 additional minutes.)

Mr. GRADISON. I can only reply that these same powers are possessed by every other financial regulator that this Congress has created. More specifically, during the past year the House has twice voted to impose these regulatory powers on other Government-sponsored enterprises. Moreover, the power to object when Sallie Mae attempts to engage in unsafe activities is of vital importance. Several years ago, Sallie Mae purchased a savings and loan operation and attempted to run it until congressional objections forced it to withdraw. Similar acts of folly by this or future managements are not impossible to imagine.

It would be very useful to have a built-in safety mechanism to protect the taxpayer against getting into such unrelated business.

Mr. Chairman, I want to repeat that twice during the last year, this House has voted to impose this same regulatory structure on other GSE's. Our amendment takes its form from H.R. 2900, which the Banking Committee drafted to apply to Fannie Mae and Freddie Mac. That bill passed the House by a vote of 412 to 8. A later bill, drafted by the Agriculture Committee to apply to Farmer Mac, passed by voice vote. Although each GSE is different, their similarities outweigh their differences. Similar regulatory structures are appropriate.

It is the same taxpayers we are trying to protect in every case.

Another argument that may be made against this amendment is that, if enacted, it would threaten Sallie Mae's existence or harm the Student Loan Program. Nothing could be further from the truth. Under our amendment, Sallie Mae will experience only the most minimal level of inspection as long as it maintains its current AAA rating. Even if it loses this rating, real regulation will not occur until its capital falls by over 20 percent from its current level. Since Sallie Mae should never, never feel the burden of this regulation as long as it remains safe, I cannot understand how it will be harmed.

Under no circumstances would the viability of the Student Loan Program be threatened. Under current law, student loans are an entitlement. Eligibility requirements and interest rates are set statutorily by Congress. They do not depend on Sallie Mae's presence in the secondary markets. If Sallie Mae were to disappear tomorrow, which I certainly hope will not happen, no student would be turned away from a loan. No student would have to pay higher interest rates on a loan. This is not to say that there are no actions that this House can take to harm Sallie Mae and the Student Loan Program, such as a Direct Loan Program. However, our amendment is not one of them.

Mr. Chairman, our amendment is simply about good government. The private markets believe that, if Sallie Mae ever reneges on its debt, we will spend taxpayer dollars to make its creditors whole. It is only prudent to put into place a firm regulatory structure to prevent this situation from arising.

Mr. REED. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the committee has labored long on this issue of providing more regulation for Sallie Mae, and we have been trying to balance two concerns, first to protect taxpayers, and second, to provide a strong secondary market so that all of our students can receive the benefits of title IV loans.

I think it is important to point out first that Sallie Mae is a very strong financial institution. The report of the Congressional Budget Office in April 1991, indicated that Sallie Mae's exposure to credit risk is small because most of its assets are either fully guaranteed by the Federal Government or fully collateralized by federally guaranteed claims.

□ 1430

These conclusions about the low level of Sallie Mae's exposure to credit risk and interest rate risk are consistent with the observed stability of the GSE's earnings. Neither recession, nor sharp swings in interest rates, nor declines in real estate or commodity prices have had much effect on its earnings. The enterprise's steady profitability is both evidence of absence of risk and a buffer against loss by the Government from the enterprise's operations.

Sallie Mae's capitalization also provides adequate protection for the Government. A stress test conducted by the Office of Management and Budget indicates that the GSE would remain adequately capitalized and make money even if its performing assets and the terms of the GSL Program changed significantly.

We are starting from the position in which Sallie Mae is a much more strong financial institution than other institutions that have been subject to Federal regulatory action this year through the Congress. For example, Sallie Mae has a AAA rating compared to Fannie Mae, A minus, and Freddie Mac, A plus.

As far as risk-weighted capital with respect to this institution, Sallie Mae is 10.98 percent compared to 2.92 for Fannie Mae and 2.17 for Freddie Mac. If we went further and drew further comparisons we would see that we have an institution that is different, fundamentally different than the other two institutions.

The primary difference is the fact that the vast majority of its portfolio is composed of guaranteed student loans or lines of credit fully collateralized by guaranteed student loans. This is the difference, and this is why it is important for this Congress to be reasonable and accurate, not to impose one lockstep set of rules or regulations simply because we did it before for other similarly related or other types of government-sponsored enterprises.

The other issue that I think is important to note is that Sallie Mae is principally governed by employees of the President. The chairman is a Presidential appointee; one-third of the board are Presidential appointees. Indeed, the same President who appoints the Secretary of the Treasury appoints the chairperson of the Sallie Mae board. And so there is an important way in which the administration can directly control the operations of this enterprise.

We in the committee are sensitive to the issues that were generated with respect to the solvency or the future of Sallie Mae, and as a result, understanding it is a strong institution, but wanting to ensure that there is never a situation which develops that would threaten the taxpayer or disrupt the student loan program, we set up a series of mechanisms, of trip wires, if you will, which will provide adequate protection for the taxpayer and adequate funding for the secondary market.

The features of the bill are threefold. First, we impose significant oversight rules. Sallie Mae must submit financial reports to the Department of Treasury and the Department of Education. The Secretary of Treasury is authorized to audit Sallie Mae, and Sallie Mae must provide full access to books and records.

Also we have imposed additional capital standards on Sallie Mae. We are requiring a capital ratio which is the ratio of the stockholders' equity to total assets plus 50 percent of credit-equivalent off-balance-sheet assets involving standby letters of credit and interest rate contracts. If this capital ratio is less than 2 percent, then Sallie Mae must prepare a capital plan, submit it to the Secretary of the Treasury for approval or disapproval. If it is disapproved, then it goes to the relevant committees in the House and the Senate. Sallie Mae must implement that plan subject to comments from the committees.

In response to a point previously raised, this legislation today, our bill, the committee print, does include a strong regulatory position for the Secretary of the Treasury. We are not in this situation operating in a vacuum where is no designated regulator.

Continuing, if the capital ratio falls below 1.5 percent, then it is required by Sallie Mae to prepare a new capital plan or a modified plan. The Secretary of the Treasury has the right to approve it or disapprove it. If the plan is disapproved by the Secretary of the Treasury, then that Secretary prepares a plan. It goes to the committee and the Treasury's plan is implemented by Sallie Mae.

In this situation the Secretary of the Treasury is also authorized to impose significant constraints on the operations of Sallie Mae. For example, it can restrict asset growth.

The CHAIRMAN. The time of the gentleman from Rhode Island has expired.

(By unanimous consent, Mr. REED was allowed to proceed for 5 additional minutes.)

Mr. REED. As I was saying, Mr. Chairman, the Secretary of the Treasury in this position can impose severe restrictions on the operation of Sallie Mae, including reduction of assets growth, a requirement to issue new capital, and also curtail executive compensation. If the capital ratio falls below 1 percent, then the Secretary of the Treasury will prepare a plan in conjunction with Sallie Mae, and Sallie Mae is required to follow the Secretary's plan and to raise the ratio to 2 percent within 60 months.

There is a safe harbor. If Sallie Mae's credit rating is either AAA or AA, then it is not required to fall into these various tests, but as you can see, this has been a significant and rigorous attempt to provide adequate capitalization plans for Sallie Mae in a structure that is both reasonable and effective.

A third provision of the legislation provides for increases or changes in corporate governance, but still reaffirms the principle of presidential leadership, requiring the chairperson be a presidential appointee as well as seven members of the 21-person board.

There are certain problems I think with the amendment proposed by the gentleman from Ohio [Mr. GRADISON]. First of all, as I suggested before, the financial tests which he is trying to impose on Sallie Mae, which have been imposed on Fannie Mae and Freddie Mac are not appropriate. The stress test, which is the heart of the regulatory concern of the amendment, is designed to evaluate reactions to economic downturns, and as the CBO report indicates, these are not particularly germane for the type of operation that Sallie Mae conducts, principally because Sallie Mae's portfolio, as I stated before, is guaranteed student loans which are guaranteed by the U.S. Government.

Indeed, in the President's budget in 1992 he pointed out.

> Sallie Mae's only risk is that the Government might change the rules of the game. Because student loan defaults are much less sensitive to economic conditions than collateralized housing or farm loans, the stress scenario is regulatory rather than economic * * *. Sallie earns considerable profit for its stockholders. Its success in fulfilling its statutory role in the GSL program is due to the combination of its ability to operate almost entirely like a private corporation, and the substantial benefits from its status as a Government-sponsored enterprise.

Indeed, in this program we have improved the integrity of the title IV program so that rather than disadvantaging Sallie Mae we have provided them significant opportunities. We have, in fact, strengthened the program so it is less likely that governmental changes in the rules would affect their performance.

A second problem I think is with respect to the supposed capital tests which Sallie Mae must meet under the Gradison amendment. It is difficult to talk about capital ratios because they require accounting definitions, but as I read the amendment the minimal capital level would be a combination of 2 percent of the assets on the balance sheets plus only .4 percent of off-balance-sheet items, whereas the committee bill would require a 2.0 test, plus .5 percent or 50 percent of the designated off-balance-sheet assets. So I believe in fact that the capital standards in our legislation are stronger and more effective to control Sallie Mae's operations.

Finally, there is the problem, as we have indicated in the point of order, with respect to the director. Stepping aside from whether it comports itself with the budget act, it seems in some places to give a director exclusive authority to overrule the Secretary of the Treasury and the Presidentially appointed chairperson of the Sallie Mae corporation. It seems to me somewhat interesting that we would adopt that style of regulatory control.

In conclusion, the committee worked very hard to establish a reasonable and reliable framework which will protect the taxpayer and will allow us to fulfill our commitment to support the funding of the Higher Education Act through title IV.

I would hope that the Congress would support our efforts and reject this amendment. We have in fact put in place a reasonable, reliable system to control Sallie Mae, to protect the taxpayer and to serve the interests of American students everywhere.

□ 1440

Mr. ANDREWS of New Jersey. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, there are four good reasons to oppose this amendment, and my colleagues, the gentleman from Rhode Island, has stated much of the factual background for them. I would phrase them in this respect.

First of all, the cookie cutter approach that the amendment suggests is inappropriate for regulating all the GSE's. Sallie Mae is sui generis. Sallie Mae is a different kind of risk that could be raised for taxpayers, although clearly it is a risk. Treating Sallie Mae the same way as the other GSE's is not prudent and wise policy.

Second, as my friend, the gentleman from Rhode Island, has pointed out, this amendment puts aside the work that the Committee on Education and Labor has done to create a viable and successful regulatory framework that will shelter and insulate the public from whatever risks may in fact be contendant on the continued operation of Sallie Mae.

Certainly, the amendment suggests the creation of a new bureaucracy, of a new agency that will be responsible for watching Sallie Mae, monitoring Sallie Mae. I would suggest to you that the present administrative structure is more than adequate to carry out that task within the parameters of the bill as before the committee today.

Finally, and perhaps most importantly, the fourth reason to oppose this amendment is that it cedes policy control and in many ways administrative control over a very important question about allocation of financial aid resources away from education people to financial people.

One of the reasons why we have this bill being debated in a context of rising tuition and shrinking Federal financial aid is that so many financial aid decisions in the last 10 to 12 years have been driven by budget considerations, and so few financial aid considerations have been driven by what is best for America's students, America's families and America's institutions.

So Mr. Chairman, I would urge our colleagues to reject this amendment, to vote for a viable, balanced and secure regulatory approach, as in the committee bill, and reject the amendment.

Mr. KANJORSKI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to this amendment.

As a member of the House Banking Committee I understand the importance of high capital standards.

This amendment is well intentioned, but poorly thought out.

It is based on the fallacy that one size fits all when it comes to capital standards for Government-sponsored enterprises [GSE's].

GSE's are not all the same, however. Although they have similarities, they have very different portfolios. If they really were all the same we would only have one GSE.

That is why it is entirely appropriate that the Education and Labor Committee has developed a strong set of capital requirements that are tailored to Sallie Mae's portfolio, risk, and business operations.

Sallie Mae is different from other GSE's, and frankly, Mr. Chairman, its

operations and its portfolio are the safest.

Why is Sallie Mae different?

First, it already has the highest possible credit rating—AAA.

Second, according to Treasury's own reports, its capital exceeds the minimum requirements for banks.

At the end of 1989 Sallie Mae's capital was 11 percent of risk-adjusted and off-balance-sheet items, while the minimum standard for banks, which will not even take effect until the end of the year, is 8 percent. That means Sallie Mae already has 40 percent more capital than banks will be required to have by the end of the year.

Not only that, Mr. Chairman, but the vast majority—78 percent—of Sallie Mae's capital is the best possible type, the so-called tier 1 capital. Banks only have to have 50 percent tier 1 capital.

Sallie Mae's 11-percent risk-based capital compares quite favorably to the 8 percent capital banks will be required to maintain, as well as to the 2.92 percent Fannie Mae maintains, and the 2.17 percent Freddie Mac maintains.

Sallie Mae's AAA credit rating also compares favorably to Fannie Mae's A– rating, and Freddie Mac's A+ rating.

What it is that makes Sallie Mae so different? The answer is simple—unlike other GSE's Sallie Mae has only one major program that it serves, and that program is the federally insured Guaranteed Student Loan Program.

Approximately 95 percent of Sallie Mae's business is in student loans which are federally guaranteed and thus pose little credit risk.

Housing GSE's, on the other hand, are subject to a much broader array of economic risks.

Let me quote directly from the Treasury's own May 1990 report on GSE's:

> Sallie Mae is essentially not exposed to credit risk on its fully federally guaranteed or reinsured student loan portfolio.
>
> Sallie Mae is not exposed to a large degree of business risk.
>
> Sallie Mae is not exposed to a great deal of interest rate risk.
>
> Sallie Mae has adequate controls to manage and monitor its operations.

This amendment is fatally flawed because it fails to recognize that while the housing GSE's portfolios are comprised mainly of off-balance sheet items, Sallie Mae's portfolio is comprised mainly of on-balance sheet items, but, and this is critically important, the loans in Sallie Mae's portfolio are completely and directly guaranteed by the full faith and credit of the U.S. Government.

Furthermore, since the interest rate on student loans is set by Federal law, and since the Federal Government provides an interest subsidy, Sallie Mae's portfolio does not suffer from the same type of interest rate risk that the housing GSE's face.

What is the risk of this amendment? The risk is very simple. It would give the Treasury unwarranted control over student loans, and might well result in the elimination of all student loans in your State or mine.

Under this amendment, Treasury would be able to dictate policies to Sallie Mae, and to the Secretary of Education, that the Congress would never approve, and that we would never allow in the private sector.

Mr. Chairman, Sallie Mae is doing an excellent job. Every year Sallie Mae makes it possible for millions of our children to achieve the American dream of a higher education.

We should not jeopardize our children's dreams by disrupting a system which is working exactly the way Congress intended.

We should respect the expertise of the Education and Labor Committee. It has done an excellent job of crafting capital standards and safeguards which are appropriate for Sallie Mae's unique circumstances.

Mr. Chairman, if we want to merge all GSE's into one mammoth agency, we should do so. If no, and I do not believe that we should, we should recognize the characteristics that make them different.

GSE's, Mr. Chairman, are not unlike children. While we may love them all, they need individual attention. Each has its own strengths and weaknesses, and each should be given rights and responsibilities which are commensurate with their abilities, ages, risks, and levels of maturity.

I urge a "no" vote on this amendment.

Mr. PICKLE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to outline my reasons why we have offered this amendment, and in order for accuracy I am going to try to stay for the first few minutes with my script. I think this is a very important amendment. It fundamentally goes to the solvency of our various Government-sponsored enterprises more than any other amendment or bill perhaps that we have had in some time. I would hope that all Members become familiar with the pending amendment.

Mr. Chairman, for the past 3 years Mr. GRADISON and I have worked closely together to advocate control of the very real risks that Government-sponsored enterprises represent for American taxpayers. We began this effort during our consideration of FIRREA, when taxpayers were forced to bail out the savings and loan system.

Since that time we have reviewed studies by GAO, CBO, Treasury, OMB, the National Academy of Public Administration, the Federal Reserve Bank of San Francisco, and others. All of these studies have shown that GSE's and their shareholders receive enormous subsidies from their ties to the Federal Government. As a result, GSE's are growing rapidly. Today, GSE's represent a contingent Federal liability of over $1 trillion. To protect the American taxpayer these studies describe a number of steps that can, and I believe should, be taken to minimize these risks. The two most important principles are that:

First, each GSE must have an independent financial regulator with meaningful supervisory authority; and,

Second, each GSE must be statutorily required to maintain significant capital reserves based on the risks associated with their specific business activities.

It should come as no surprise that these powerful financial institutions have fiercely opposed any practical application of these important principles. And, Sallie Mae is no exception.

Sallie Mae is a 450 billion corporation, currently rated AAA by Standard and Poor's. As a GSE, Sallie Mae is exempt from many of the laws applicable to truly private corporations. Sallie Mae is authorized to borrow up to $1 billion from Treasury should they get into financial difficulty. And yet, Sallie Mae, unlike all the other GSE's is virtually unregulated. No Federal agency has general regulatory authority over Sallie Mae. No agency has enforcement authority over them. GAO doesn't even have the authority to audit Sallie Mae's books, and Treasury can do so only to the extent necessary to confirm the annual audit findings of the public accountant hired by Sallie Mae. As for capital, there is currently no capital requirement of any kind of Sallie Mae.

If Sallie Mae were a private company this would be acceptable. It would be up to Sallie Mae's shareholders and creditors to decide if their money was secure. But Sallie Mae is not a private company, and its creditors are depending on the American taxpayer to protect them from any risk.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(By unanimous consent, Mr. PICKLE was allowed to proceed for 5 additional minutes.)

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. PICKLE. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Chairman, I say to the gentleman from Texas, do not mislead people. The gentleman said no regulatory agency. That is true until this bill gets passed, but I draw the gentleman's attention to page 233 of the bill and the gentleman will see that we make it very clear that the Secretary of Education is the regulatory agency appointed by the same President as Nick Brady is appointed by.

What we have got is an internecine fight between two Cabinet members over there. We do not think that the Treasury Department needs to meddle

in the Department of Education. They both sit at the table with the President. When the President decides he wants to change their authority, he ought to tell us that, but do not say that there is no regulation. This bill has page after page of regulations and makes it very clear that the Secretary has the authority to enforce them.

□ 1450

Mr. PICKLE. I appreciate the gentleman raising that, and I want to comment on that point and I want to come back to my script. You do have regulation in this bill. But let me remind the Members of what the situation is. You have a capital ratio of 2.54. That is above the norm. Our bill says you ought to have 2-percent capital reserve. You do not have any regulation until at least that reserve has dropped down to 1.5. Under your bill, you have no regulation by the Treasury until it goes below 1 percent. So you can say that, yes, you got regulation, but really factually speaking you do not really get Treasury into this thing to regulate it, it is not brought into it until it gets below 1 percent.

That is dangerously low. So I appreciate the gentleman making that comment, and I am glad to zing him on it.

But let me come back to the script.

Now I shouldn't have to remind any Member that it is dangerous to leave a financial institution unsupervised, and expensive to bail them out when they fail. The events surrounding the House bank are a testament to the risks of informal supervision. And, our continued struggle to finance the savings and loan bailout speaks to the difficulty we have with these failures after they happen. It is for these reasons that Mr. GRADISON and I offer our amendment.

The committee bill before us does not provide adequate financial supervision of Sallie Mae. Under the bill, even if Sallie Mae falls below its minimum required capital level, the regulator has not enforcement authority. Corrective action is left solely to the discretion of Congress and Sallie Mae. In light of recent events, it seems far wiser and safer to put Sallie Mae under the full-time supervision of trained, professional examiners. That is what this amendment does.

In addition, the bill before us applies only a simple leverage ratio to determine the capital requirement for Sallie Mae. GAO finds that using a leverage ratio alone to set capital requirements is unsatisfactory. GAO states that when setting a capital standard "* * * the Federal Government would be best served through a combination of stress tests and a leverage ratio." That is what the Gradison-Pickle amendment does. In fact, our amendment follows the same general approach the House approved overwhelmingly last year for Fannie Mae and Freddie Mac.

Finally, to make sure that Sallie Mae is allowed to operate freely if it voluntarily minimizes its risk to the taxpayer, the amendment provides for a safe harbor if Sallie Mae maintains its current AAA credit rating. This also is in keeping with GAO's findings in its recent report on using private risk ratings for exemptions from Federal regulations.

Mr. Chairman, this House has been awash in recent years with bickering and fingerpointing over the responsibility for the past failures of financial institutions. This amendment offers a responsible, bipartisan way to prevent a failure from ever happening at Sallie Mae. I strongly urge my colleagues to protect the public trust now, and to vote for this important amendment.

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. PICKLE. I yield to the gentleman from Michigan [Mr. FORD].

Mr. FORD of Michigan. I thank the gentleman for yielding.

Mr. Chairman, the gentleman from Texas put his finger on it. What is the difference? Here you come over here with a couple of people from Committee on Ways and Means that did such a great job on the bill that we lost on the floor yesterday that they now want to put Treasury into the student loan business where they do not belong. That is the whole thing.

We went through this fight over the last 3 years, and it was determined by the Congress to leave it to us to write a regulatory package for this very special, narrowly structured agency, which was originally written by our former Republican colleague, the gentleman from Illinois, John Ehrlenborn. I wish John were here to respond to some of the things that the gentleman from Texas is saying. The whole issue here is Treasury coming through people on the Committee on Ways and Means trying to get their beak into the student loan business. They do not know anything about it. There is no guarantee they would do any better with that than they do running the IRS.

The CHAIRMAN. The time of the gentleman from Texas [Mr. PICKLE] has expired.

(By unanimous consent, Mr. PICKLE was allowed to proceed for 2 additional minutes.)

Mr. PICKLE. Mr. Chairman, I do not know whether you can say—and I want to be sure of this—Treasury did not come to us any more than we came to Treasury. We, Mr. GRADISON and I, have smoked out Treasury as much as anybody. Treasury does support this, and I am glad they do. The General Accounting Office recommends it.

Now the gentleman asks why do we get into it, the Committee on Ways and Means? I will tell you why.

Mr. FORD of Michigan. When did the gentleman discover it?

Mr. PICKLE. The Committee on Ways and Means is charged by the House rules that we have responsibility for the bonded indebtedness of the United States. We just said that we ought to have a statement somewhere in our books that we are going to be a responsible agency. Our committee feels responsible for it, and that is why we get into it.

Mr. LEACH. Mr. Chairman, will the gentleman yield?

Mr. PICKLE. I yield to the gentleman from Iowa.

Mr. LEACH. I thank the gentleman for yielding.

Mr. Chairman, I would like to discuss very briefly this very point.

The gentleman from Michigan is right that there is a Cabinet-level difference of opinion, although the administration is for the Pickle-Gradison amendment.

But at issue is not simply the principle of education. At issue is how a financial institution works.

We, in looking at FHLMC and FNMA have come to understand that there are financial institutions here of spectacular dimension and the expertise for that kind of regulation happens to lie in the Department of the Treasury. It does not lie in other abstract institutions of the Government.

That is the reason it is very thoughtful in two senses: One, that the Treasury should be the financial institution regulator; and second, under the Gradison-Pickle amendment, there are risk-based capital standards which a regulator understands with the tradition of regulating this kind of industry, and that is the financial institution industry. That is partly what is at stake.

This is a minimalist, responsible amendment. I would urge in the strongest possible terms that the administration perspective be borne in mind and that what Mr. PICKLE and Mr. GRADISON have said is very compelling to this Member.

Mr. COLEMAN of Missouri. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to this amendment. There has been a lot of discussion about what makes Sallie Mae different from Freddie Mac and Fannie Mae. First of all, Sallie Mae has a triple-A rating. Fannie Mae has an A-minus rating. Freddie Mac has an A-plus rating. This was in the April 1991 Standard and Poor's rating service. So, there is one distinct difference. In fact, Sallie Mae is one of two financial institutions in this country that has a triple-A rating.

□ 1500

What about risk-based capital? Let me continue.

Risk-based capital: Currently regulations require commercial banks to have an 8-percent risk-based capital standard. In 1990, when the Treasury studied this situation, they found that Sallie Mae's risk-based capital was at

11 percent, and Fannie Mae's was almost 3 percent, and Freddie Mac's was a little over 2 percent.

We talk about stress tests; that is, what is this financial institution able to do by stresses that may impact it. In 1990, the Treasury Department studied this phenomenon, from the point of view of business risk, credit risk, interest rate risk, and management and operation risk. They concluded, and I quote the U.S. Treasury Department's report, that, "Sallie Mae is not exposed to a large degree of business risk."

What about credit risk? I quote: "Sallie Mae is essentially not exposed to credit risk on its fully federally guaranteed or reinsured student loan portfolio."

Interest rate risk, management risk, the same type of glowing recommendations from the Department of Treasury in 1990.

Now what has changed? Well, what has changed is that the administration, that has proposed that it is going to have regulatory relief for everybody, has put out a regulatory form that they want everybody to conform to. These fine gentlemen, the gentleman from Texas [Mr. PICKLE] and the gentleman from Ohio [Mr. GRADISON] have given us this fine form in Freddie Mac and Fannie Mae, and now they are trying to create out of the same cookie cutter some sort of regulatory control over another GSE, a GSE that has nothing to do with housing, has nothing to do with the vagaries of that economy, but wants to impose its standard. It is interesting to note that the letter that the gentleman from Ohio [Mr. GRADISON] read into the RECORD says that yet; this is Sallie Mae; yet it does not have a financial safety and soundness regulator and furthermore says there is no reason for Sallie Mae, alone among GSE's, to be exempt from critical safety and soundness legislation. But they do not have any conclusions why that is the case.

In fact, for the administration who wants to give us regulatory relief, they are giving us regulatory overkill. This is an agency that is not broke and does not need fixing. We do not need to fix it here today by the amendment of the gentleman from Ohio [Mr. GRADISON] by every standard, by every statistic that can be cited.

Go through the weighted balance sheets of all of them. The weighted balance sheets on Sallie Mae are guaranteed student loans. They are not going to go bust because we guarantee them, but Freddie Mac and Fannie Mae, they are out there with mortgages and all these other things.

So, let me say that there are a lot of reasons why we should not make Sallie Mae conform to this box, that people want to have some sort of regulatory framework. I guess it is easier down at Treasury to do them all the same way without considering the uniqueness of every one of these GSE's.

Now here is a quasi-public/private agency, 50 billion dollars' worth. Neither had any problems at all. But I will tell my colleagues one thing. If we put Government regulation in there, I bet they might have some problems. We are from the Federal Government, and we are here to help, so we are going to impose a regulatory framework on something that does not need it by the amendment of the gentleman from Ohio [Mr. GRADISON].

People act like they have not even read the bill. We have gone through this for weeks. I sat down with the Treasury Department. I was the one that was supposed to negotiate with the Treasury Department. Well, they did not want to negotiate. They did not know anything about what was making Sallie Mae tick. They want to go say, "Well, we did this in the Banking Committee, so we have people on our committee from the Banking Committee who want to redo it just like the Banking Committee, and the people from Ways and Means are here today trying to do that."

Well, there is going to be a regulatory framework. We provide one in this bill. It is the Secretary of Education because that is the only reason Sallie Mae exists, is to be a secondary market to buy guaranteed student loans, and that is the only fear that the Treasury Department has, that we may change the rules of the game by any statute that we may have over guaranteed student loans. That is the only way to mess up Sallie Mae the Treasury Department concludes.

Now, what have we done in the statute?

The CHAIRMAN. The time of the gentleman from Missouri [Mr. COLEMAN] has expired.

(By unanimous consent, Mr. COLEMAN of Missouri was allowed to proceed for 3 additional minutes.)

Mr. COLEMAN of Missouri. Mr. Chairman, we authorized the Secretary of the Treasury to appoint auditors to assess the financial safety and soundness of Sallie Mae. We established minimum capital requirements for the first time of 2 percent. They are well over that. They are in a safe harbor in our bill because they are not even close to having any problems.

I must correct the gentleman from Texas [Mr. PICKLE], my dear friend, who said that under his scheme, under the Gradison scheme, that even though they had a triple-A rating, that they would be in some sort of safe harbor. Not true. Under the amendment of the gentleman from Ohio [Mr. GRADISON] there will be a regulator, and he will have total control over this agency, safe harbor or no safe harbor. The regulator will be put in place under the amendment of the gentleman from Ohio [Mr. GRADISON]. We will put the Department of the Treasury in charge if Sallie Mae has problems. That is in the bill. It drops to 1.5 percent risk-based capital. Then the Treasury will run Sallie Mae, but all in all there is no reason to do that. There is no reason to anticipate or have something happen because it is going to be fulfilling the wishes of those who want to see problems. If these people were so wise, why did they not go get Freddie Mac and Fannie Mae when they were having trouble instead of trying to pick on some agency that has no trouble and does not have any problems to solve? Why are we spending all this time solving problems that do not exist?

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. COLEMAN of Missouri. I yield to the gentleman from Texas.

Mr. PICKLE. Mr. Chairman, I want to object very strongly that we are picking on Sallie Mae. We are asking Sallie Mae to conform, much like Fannie Mae and Freddie Mac, the other——

Mr. COLEMAN of Missouri. I understand that.

Mr. PICKLE. This is not anything different——

Mr. COLEMAN of Missouri. There is no reason for us to force them to act like they are something that they are not.

Mr. PICKLE. The gentleman yielded to me. Does he want me to respond?

Mr. COLEMAN of Missouri. No, I am correcting again your correction of me because I believe that in fact Sallie Mae is not like Freddie Mac. That is the whole thrust of my argument, that they are not the same.

I yield to the gentleman.

Mr. PICKLE. All right.

I now, Mr. Chairman, want to be recognized, and I would like to respond if the gentleman would allow me.

The CHAIRMAN. The Chair would advise that the gentleman from Missouri [Mr. COLEMAN] has the time and may yield to the gentleman from Texas [Mr. PICKLE] if he chooses.

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. COLEMAN of Missouri. I yield to the gentleman from Texas.

Mr. PICKLE. Now, I do not think the gentleman really thinks that our committee is trying to pick on Sallie Mae. We have attempted to make the Freddie Mae and Sallie Mae standard stronger. We do have the basic outlines of an amendment. We want this committee to treat us as we have them. We ought to be treated no differently than the other Members. I do not understand why that is done, but let me make a response to one or two things made.

I say to the gentleman, "You said you're in good shape and you're not in any trouble. I recognize that. You were at one time, a couple of years ago, your ratio assets were about 4.86. Good shape. Now you're at 2.54."

Mr. COLEMAN of Missouri. Mr. Chairman, could I answer that?

Mr. PICKLE. No.

Mr. COLEMAN of Missouri. Well, it is my time. Let me answer the gentleman.

Mr. PICKLE. We are asking now to take only a 2 percent. Now the gentleman wants a 2-percent leveraged measurement, and that is all. We are saying we do not go to 8.46. We do not go the 2.4. We even go down to 2.4.

Now the gentleman says he got a triple-A rating, and does the gentleman know why he got a triple-A rating? No trouble? It is because we guarantee bonds.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. COLEMAN] has expired.

(By unanimous consent, Mr. COLEMAN of Missouri was allowed to proceed for 1 additional minute.)

Mr. PICKLE. As long as the Federal Government is guaranteeing bonds, of course they got a good rating.

Mr. COLEMAN of Missouri. The gentleman from Texas [Mr. PICKLE] has 10 minutes of his own time. I have had 8 or far. But he is characterizing my remarks, and I want the gentleman from Texas to listen to what I am saying because it responds to a point he made. He made a good point. I want to respond to it.

The gentleman from Texas [Mr. PICKLE] claims that the capital assets ratio has dropped from 4-point-something to 2.5, and he thinks that that is a road to disaster. Let me tell my colleagues why that happened. Sallie Mae has been purchasing that stock, and, therefore, it is affecting that ratio. It is not out there on the open market. That is the only reason that figure has changed. It is not because there are financial problems, it is not because of anything that has changed, other than that they wanted to get control of their own destiny like any other corporation in this country that had the capability to do so.

Mr. Chairman, I have heard enough myself. I yield back the balance of my time.

(On request of Mr. PICKLE and by unanimous consent, Mr. COLEMAN of Missouri was allowed to proceed for 1 additional minute.)

Mr. PICKLE. The gentleman does have a regulation in his bill, and I do not question that. The regulation really though——

The CHAIRMAN. The gentleman from Missouri [Mr. COLEMAN] has been recognized for 1 additional minute, so he may yield, if he wishes, to the gentleman from Texas.

Mr. COLEMAN of Missouri. Mr. Chairman, I yield to the gentleman from Texas.

Mr. PICKLE. Mr. Chairman, I say to the gentleman, "You do have a regulator, but the regulator doesn't step in until the assets ratio goes down below 1 percent. From 1.5 you negotiate back and forth on the Hill, but you don't really have a regulator. He doesn't go into effect until after you go below 1 percent."

That is what I am advised. Does the gentleman disagree with that? Is that a fact or not?

□ 1510

Mr. COLEMAN of Missouri. Mr. Chairman, I think that is an accurate characterization of the bill. Let me also point out that all that is in this amendment that we are talking about is structured on the possibility that something may go wrong that has not gone wrong. It is going to be fulfilling a prophesy of something going wrong if we set up a regulator and have Government control and mess up an agency that does not have any problems.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. COLEMAN] has again expired.

(On request of Mr. GRADISON, and by unanimous consent, Mr. COLEMAN of Missouri was allowed to proceed for 1 additional minute.)

Mr. GRADISON. Mr. Chairman, will the gentleman yield?

Mr. COLEMAN of Missouri. I yield to the gentleman from Ohio.

Mr. GRADISON. Mr. Chairman, I appreciate that the gentleman from Missouri did not intend to say this, but what he just said could have been used as an argument for just leaving the S&L's alone. They were not in trouble, but what a pity we did not recognize they could have been in trouble. Our proposal does not touch this agency except for auditing requirements as long as they stay at triple A.

Our basic argument is very simple, that the time to fix the roof is when the Sun is shining.

Mr. Chairman, I thank the gentleman for yielding.

Mr. COLEMAN of Missouri. Mr. Chairman, if that is the case, there would be about 1 billion things we could try to fix around here that are not broken. That does not seem to me to be the right way of doing things.

Trying to compare Sallie Mae with the savings and loan crisis, Mr. Chairman, is a disservice to Sallie Mae and the Presidential appointees that are on the board of Sallie Mae. I do not think the gentleman meant to say that Sallie Mae is in the precarious position of the savings and loans or to even draw an analogy of that type.

But when he raises the spectrum of things falling like the savings and loans, I just think it is off base.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. COLEMAN] has expired.

Before the Chair proceeds, the Chair would remind Members of the House rule that when debating with each other, they should address their comments through the Chair and should address each other as "the gentleman" or "the gentlewoman" from their respective States, and should not in any case use first names.

For what purpose does the gentleman from Michigan [Mr. FORD] rise?

Mr. FORD of Michigan. Mr. Chairman, I will forbear prolonging this debate in the hope that we can get to a vote and get on with this. If we can get this behind us, we have a chance to finish in the time we promised the Members tonight.

I would ask for a vote, Mr. Chairman.

The CHAIRMAN. Is there further debate on this amendment?

Mr. PICKLE. Mr. Chairman, reserving the right to object——

Mr. FORD of Michigan. Mr. Chairman, there is nothing to object to. I am just not asking for more time, and I wish the Members would cooperate with us and get this over with.

PARLIAMENTARY INQUIRY

Mr. PICKLE. Mr Chairman, I have a parliamentary inquiry.

Is the gentleman cutting off debate and asking for a vote now?

Mr. FORD of Michigan. No; I am not cutting off debate, and you do not have any left anyhow so it does not make any difference to you.

Mrs. KENNELLY. Mr. Chairman, I rise in strong support of the Gradison-Pickle amendment. Some of us have been interested in GSE's—the so called Government-sponsored enterprises—for several years now.

I want to associate myself with the remarks of both of the authors of the amendment—Sallie Mae is not currently in financial trouble. But we all know how quickly financial institutions can find themselves in deep trouble often at tremendous cost to the taxpayers. Frankly, that is what we are trying to prevent here today.

Recall the recommendations of the May 1990 Treasury report——

First, each GSE should be adequately capitalized.

Second, each GSE should be required to obtain a rating equivalent to triple A from at least two nationally recognized private credit-rating agencies.

Third, the program regulator should be different from the implementer of financial safety and soundness standards.

Fourth, the value of the Government's financial support should be disclosed.

Treasury found that Sallie Mae is not subject GAO audit and had no Federal regulator.

The underlying text of the bill does address a number of these critical issues. This amendment goes the rest of the way.

This amendment simply aims to assure that Sallie Mae has in place a strong Federal safety and soundness regulator—the Treasury Department. This requirement is no different than the standards we have imposed on other GSE's. It is simply designed to prevent a future taxpayer bailout.

Sallie Mae is healthy today—we want them to stay that way. Support the amendment.

Mr. WYLIE. Mr. Chairman, very briefly, I would like to urge Members to support the passage of the Gradison-Pickle amendment to the Higher Education Act amendments.

In the past, the Congress and the administration have been criticized for not acting on

issues of financial safety and soundness until a crisis is upon us. The Gradison-Pickle amendment takes strong and fair action to assure the future fiscal security of Sallie Mae. The time to act on this issue is now, while Sallie Mae is quite healthy, so that in the future the taxpaying public will not be at risk. This amendment establishes a proper balance between the education mission of Sallie Mae and the regulatory oversight necessary. Sallie Mae is the only remaining GSE not subject to adequate capital requirements and sufficient regulation to protect the taxpayer.

Mr. Chairman, on September 25, 1991, this body passed H.R. 2900, the Government Sponsored Housing Enterprises Safety and Soundness Act by the overwhelming margin of 412 to 8. That legislation was adopted with the legacy of the S&L situation clearly in mind. The Banking Committee, under the leadership of Chairman GONZALEZ, moved this legislation forward expeditiously because of the absolute need to protect the taxpayer from potential liabilities from GSE's.

H.R. 2900 provides adequate protection while facilitating the missions of the housing GSE's. Let me say that Sallie Mae is not very different than the housing GSE's, so I do not understand why Sallie Mae should be exempt from these safety and soundness protections. Therefore, I believe that the Gradison-Pickle amendment is not only eminently sensible, but very necessary.

Therefore, I want to again congratulate my colleagues Representatives GRADISON and PICKLE for all of their hard work to protect taxpayers while promoting education. I urge the Members to support adoption of the Gradison-Pickle amendment.

The question is on the amendment offered by the gentleman from Ohio [Mr. GRADISON].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. GRADISON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 181, noes 232, not voting 21, as follows:

[Roll No. 57]

AYES—181

Allard	Chapman	Ewing
Allen	Clinger	Fawell
Andrews (TX)	Coble	Fields
Archer	Coleman (TX)	Fish
Atkins	Combest	Franks (CT)
Bacchus	Condit	Gallegly
Baker	Cooper	Gallo
Ballenger	Coughlin	Gekas
Barnard	Cox (CA)	Geren
Barton	Cramer	Gibbons
Bateman	Crane	Gillmor
Bellenson	Cunningham	Glickman
Bennett	DeLauro	Gradison
Bereuter	Dickinson	Green
Bilbray	Doolittle	Guarini
Bilirakis	Dorgan (ND)	Hall (TX)
Bliley	Dornan (CA)	Hamilton
Boucher	Dreier	Hancock
Browder	Duncan	Hansen
Byron	Durbin	Harris
Callahan	Dwyer	Hastert
Campbell (CA)	Eckart	Hayes (LA)
Cardin	Edwards (TX)	Hefley
Carper	English	Hefner
Chandler	Erdreich	Henry
Herger	Meyers	Schiff
Hoagland	Michel	Schroeder
Hobson	Montgomery	Schumer
Hochbrueckner	Moorhead	Sensenbrenner
Holloway	Neal (NC)	Sharp
Houghton	Nussle	Shaw
Huckaby	Olin	Shays
Hyde	Orton	Shuster
Inhofe	Oxley	Skaggs
Ireland	Packard	Skeen
Jacobs	Parker	Slattery
James	Paxon	Smith (NJ)
Johnson (SD)	Payne (VA)	Smith (TX)
Johnston	Pease	Spence
Jontz	Penny	Spratt
Kaptur	Peterson (MN)	Stallings
Kasich	Petri	Stearns
Kennelly	Pickle	Stenholm
Klug	Porter	Stump
Kolbe	Pursell	Tanner
Kopetski	Ramstad	Tauzin
Kyl	Ray	Taylor (MS)
Lagomarsino	Regula	Thomas (CA)
Lancaster	Rhodes	Torricelli
Leach	Richardson	Upton
Lent	Rinaldo	Valentine
Lewis (FL)	Ritter	Visclosky
Lightfoot	Rogers	Volkmer
Livingston	Rohrabacher	Walsh
Lloyd	Rostenkowski	Wolf
McCollum	Roth	Wyden
McCrery	Roukema	Wylie
McCurdy	Rowland	Zeliff
McDermott	Sarpalius	Zimmer
McGrath	Saxton	
McMillan (NC)	Schaefer	

NOES—232

Abercrombie	Emerson	Luken
Ackerman	Engel	Machtley
Alexander	Espy	Manton
Anderson	Evans	Markey
Andrews (ME)	Fascell	Marlenee
Andrews (NJ)	Fazio	Martin
Annunzio	Feighan	Matsui
Anthony	Flake	Mavroules
Applegate	Foglietta	Mazzoli
Aspin	Ford (MI)	McCandless
Barrett	Ford (TN)	McCloskey
Bentley	Frank (MA)	McDade
Berman	Frost	McEwen
Bevill	Gejdenson	McHugh
Blackwell	Gephardt	McMillen (MD)
Boehlert	Gilchrest	McNulty
Boehner	Gilman	Mfume
Bonior	Gingrich	Miller (CA)
Borski	Gonzalez	Miller (OH)
Brewster	Goodling	Mineta
Brooks	Gordon	Mink
Broomfield	Goss	Moakley
Brown	Gunderson	Molinari
Bruce	Hall (OH)	Mollohan
Bryant	Hammerschmidt	Moody
Bunning	Hatcher	Moran
Burton	Hayes (IL)	Morella
Bustamante	Hertel	Murphy
Camp	Hopkins	Murtha
Campbell (CO)	Horn	Myers
Carr	Horton	Nagle
Clay	Hoyer	Natcher
Clement	Hubbard	Neal (MA)
Coleman (MO)	Hughes	Nichols
Collins (IL)	Hunter	Nowak
Collins (MI)	Hutto	Oakar
Conyers	Jefferson	Oberstar
Costello	Johnson (TX)	Obey
Cox (IL)	Jones (GA)	Olver
Coyne	Jones (NC)	Ortiz
Darden	Kanjorski	Owens (NY)
Davis	Kennedy	Owens (UT)
de la Garza	Kildee	Pallone
DeFazio	Kleczka	Panetta
DeLay	Kostmayer	Pastor
Dellums	LaFalce	Patterson
Derrick	Lantos	Payne (NJ)
Dicks	LaRocco	Pelosi
Dingell	Lehman (CA)	Perkins
Dixon	Lehman (FL)	Pickett
Donnelly	Levin (MI)	Poshard
Dooley	Lewis (CA)	Price
Downey	Lewis (GA)	Quillen
Dymally	Lipinski	Rahall
Early	Long	Rangel
Edwards (CA)	Lowery (CA)	Ravenel
Edwards (OK)	Lowey (NY)	Reed
Ridge	Smith (IA)	Unsoeld
Riggs	Smith (OR)	Vander Jagt
Roberts	Snowe	Vento
Roe	Solarz	Vucanovich
Roemer	Solomon	Walker
Ros-Lehtinen	Staggers	Washington
Rose	Stokes	Waters
Roybal	Studds	Waxman
Sabo	Sundquist	Weber
Sanders	Swett	Weiss
Sangmeister	Swift	Weldon
Savage	Synar	Wheat
Sawyer	Tallon	Williams
Scheuer	Taylor (NC)	Wilson
Schulze	Thomas (GA)	Wise
Serrano	Thomas (WY)	Wolpe
Sikorski	Thornton	Yates
Sisisky	Torres	Yatron
Skelton	Towns	Young (AK)
Slaughter	Traficant	
Smith (FL)	Traxler	

NOT VOTING—21

Armey	Johnson (CT)	Mrazek
AuCoin	Kolter	Peterson (FL)
Boxer	Laughlin	Russo
Dannemeyer	Levine (CA)	Santorum
Gaydos	Martinez	Stark
Grandy	Miller (WA)	Whitten
Jenkins	Morrison	Young (FL)

□ 1536

The Clerk announced the following pair:

On this vote:

Mr. Armey for, with Mr. Peterson of Florida against.

Messrs. WASHINGTON, ANNUNZIO, ORTIZ, and BURTON of Indiana changed their vote from "aye" to "no."

Messrs. PENNY, CHAPMAN, JONTZ, BILIRAKIS, HEFLEY, VOLKMER, HASTERT, ALLARD, and DWYER of New Jersey, Ms. KAPTUR and Messrs. McCURDY, STUMP, and CUNNINGHAM changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. GRANDY. Mr. Chairman, on rollcall 57, I was unavoidably detained and was not recorded. Had I been here, I would have voted "aye" on the Gradison-Pickle amendment.

The CHAIRMAN. Are there further amendments to title IV?

AMENDMENT OFFERED BY MR. COYNE

Mr. COYNE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COYNE: Page 392, after line 5, insert the following new subsection (and redesignate the succeeding subsection accordingly):

(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 owned by the institution pursuant to such audit, or to receive reimbursement for that amount (if the institution does not owe any such sums)."

Mr. COYNE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The Chair will inquire of the gentleman from Pennsylvania [Mr. COYNE] whether the amendment is printed in the RECORD.

Mr. COYNE. Mr. Chairman, it is.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. COYNE] in support of his amendment.

Mr. COYNE. Mr. Chairman, my amendment would require that the Department of Education provide institutions subject to an audit an opportunity to make claims which are discovered to be in their favor during the course of an audit.

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. COYNE. I yield to the gentleman from Michigan.

□ 1540

Mr. FORD of Michigan. Mr. Chairman, we have examined the amendment of the gentleman from Pennsylvania. We think it is a good amendment. The majority accepts it.

Mr. Chairman, Mr. COYNE is offering this at the request of Carlow College in his district. Carlow College was determined to owe the Department about $56,000 in a program review for years ending 1989. While investigating back records, Carlow discovered that it had not asked the Department for about $63,000 for 1988 that it was due; the Department said it was too late for those funds.

WDF and Mr. COYNE wrote the Department requesting a review of this decision. ED said that in order to maintain integrity in the Pell program they cannot reimburse claims that are over 6 months old.

The Coyne amendment would only apply in the case of a Department of Education audit.

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. COYNE. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Chairman, we have examined the amendment of the gentleman from Pennsylvania and we accept the amendment on this side.

Mr. COYNE. Mr. Chairman, I thank the committee chairman, the gentleman from Michigan [Mr. FORD], and the minority for accepting, my amendment.

Mr. Chairman, I am offering an amendment to the Higher Education Amendments of 1992 which will correct an inequity in the management of the Education Department's Audit and Program Review System.

My amendment would require that the Department of Education provide institutions subject to an audit a fair opportunity to make claims which are discovered to be in their favor during the course of the audit.

Under the Department's current audit and program review procedures, errors made in the Department's favor are payable, but errors made in an institution's favor are not. My amendment would end this one-way practice.

The Department currently requires audited institutions to make reimbursement or penalty payments for improperly spent funds. This is, of course, the correct role of the Department. It is important to ensure that institutions receiving taxpayer funds comply with the law for disbursing Federal financial aid.

Unfortunately, the current audit-and-review process is treated as a one-way street by the Department. Education officials refuse to make reimbursement to audited institutions for unreimbursed Pell grants and other student aid awards discovered during the course of an audit.

This practice is clearly unfair for institutions which do their best in attempting to provide students with financial assistance and comply with all Federal financial aid laws. My amendment would end a practice by which the Department demands payments from an audited institution, but then refuses to consider as an offset, or as a legitimate reimbursement item, Pell grants or other financial assistance discovered to have been properly awarded during the audit period.

The current audit-and-program review process unfairly penalizes institutions which discover unreimbursed financial aid awards as the result of an audit. This inequity hits small private institutions especially hard, but the ultimate victim is the student attending an institution subject to this one-way audit process. An unfair audit process diminished the financial ability of a college to maintain quality educational programs or provide financial assistance for their students.

This amendment follows a precedent set by the Internal Revenue Service regarding the rights of taxpayers subject to audit. The IRS must allow taxpayers to file an amended return when payments are made as the result of an audit. If a taxpayer makes a payment to the IRS as the result of an audit, then that taxpayer has the legal right to file an amended return to claim any legitimate credit or refund. The rights of taxpayers subject to an audit are specified in IRS publication 556.

Mr. Chairman, I urge the House to accept this amendment and provide institutions subject to an audit a fair opportunity to make claims which are discovered to be in their favor during the course of the audit.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. COYNE].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. SLATTERY

Mr. SLATTERY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SLATTERY: Page 163, strike line 20 and all that follows through line 3 on page 164 and insert the following:

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

Mr. SLATTERY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. SLATTERY. Mr. Chairman, this amendment is designed to eliminate the windfall lenders have been receiving from government overpayments for interest on student loans.

It deals with the issue of excess interest payments during the time students are attending school.

Currently, the Government is paying 8 percent interest on guaranteed student loans while the student is in school and before the student begins repayment. This fixed rate is arrived at by adding the 91-day Treasury bill rate to a special allowance for lenders currently 3.25 percent. Because T-bill rates are so low at the present time, the T-bill rate plus 3.25 percent is less than the 8 percent being collected by the banks. The net result is that banks are receiving a windfall above the special allowance they are already entitled to by law.

My proposal credits this "excess interest" to the U.S. Treasury while the Government is paying interest on the loan.

I would like to take this opportunity to commend members of the Education and Labor Committee, in particular Chairman FORD, ranking minority member for crafting this bill, and for their support of my amendment.

This measure could save the taxpayers millions of dollars.

If one assumes an annual loan volume of $13 billion and a one-half percent excess interest charge the savings would be $65 million per year.

My amendment does not affect the banks' special allowance. Again I thank Chairman FORD and the ranking minority members Mr. GOODLING and Mr. COLEMAN.

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. SLATTERY. I am happy to yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Chairman, we have examined the amendment of the gentleman from Kansas [Mr. SLATTERY]. It actually is a refinement of a change that we have made in the bill. We think it is consistent with what we were trying to do. It recap-

tures the windfall we were trying to recapture in a better way, so we accept the gentleman's amendment.

Description: Clarification of our windfall profit provision.

Position—support: Under current law, if T bill plus 3.25 percent is less than 8 percent, the lender still gets 8 percent; under H.R. 3553, if T bill plus 3.25 percent is less than 8 percent, the student gets the difference credited to his principal.

The Slattery amendment would provide that if the student was paying the interest—in repayment—the student would receive the benefit—if the Federal Government was paying the interest on behalf of the student—if the student is in school—then the Federal Government would get the benefit.

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. SLATTERY. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Chairman, we have looked at the amendment and we accept it on this side.

Mr. SLATTERY. Mr. Chairman, I thank the gentlemen.

The CHAIRMAN. Is there further debate on the amendment offered by the gentleman from Kansas?

If not, the question is on the amendment offered by the gentleman from Kansas [Mr. SLATTERY].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. COLEMAN OF MISSOURI

Mr. COLEMAN of Missouri. Mr. Chairman, I offer an amendment, starting on page 86.

The CHAIRMAN. Has the amendment been printed in the RECORD?

Mr. COLEMAN of Missouri. Yes, it has.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. COLEMAN of Missouri: Page 86, line 20, strike the close quotation marks and following period and after such line insert the following:

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

Mr. COLEMAN of Missouri. Mr. Chairman, the gentleman from Tennessee and I are offering this amendment. I would like to take a few moments to explain it.

Mr. Chairman, currently under the Pell grant program prisoners are eligible to receive a maximum award under the Pell grant formula. About 100,000 people incarcerated receive Pell grants, it is estimated, under current law. This bill does not affect eligibility for prisoners.

My amendment prohibits the extension of Pell grants to prisoners. Pell grants are not an entitlement. That means for every prisoner who has a Pell grant there are dollars denied to others who are nonprisoners, our constituents. We estimate that over $160 million in Pell grants go to prisoners every year and deny access to those who are on the outside, hard-working men and women who want to go to school who should receive moneys under the Pell grant formula who are denied because of the $160 million going to prisoners.

I am not against trying to help prisoners rehabilitate themselves, but there are dollars set aside by both States and the Federal Government to rehabilitate prisoners and provide educational opportunities. This amendment is very forthright. If the Members support the amendment, they support increasing Pell grants for their constituents. All Pell grant recipients could get $75 more a year if we deny this to prisoners, and an additional 20,000 students would be able to receive an award under the Pell grant system.

Students from hard-working families, people who are going back to school, people who have done nothing wrong are being denied access and opportunities under these programs because we are funding opportunities for people who have been convicted of a crime.

I think it is very clear. There is no hidden agenda. It is very forthright. This amendment stands for putting our resources for those people who have done nothing wrong and taking them away from those people who have done something wrong, because we only have so many resources to go around. We do not have enough to do it for everybody.

Mr. Chairman, I yield back the balance of my time.

AMENDMENT OFFERED BY MR. TOWNS AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. COLEMAN OF MISSOURI

Mr. TOWNS. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from Missouri [Mr. COLEMAN].

The CHAIRMAN. The Clerk has an amendment at the desk which is a free-standing amendment. If the gentleman from New York wishes to offer that amendment as an amendment to the amendment of the gentleman from Missouri, he will have to redraft it as an amendment to the amendment.

Mr. TOWNS. Mr. Chairman, I offer the amendment as a substitute for the amendment.

□ 1550

The CHAIRMAN. The Clerk will report the amendment offered as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. TOWNS as a substitute for the amendment offered by Mr. COLEMAN of Missouri: Page 86, line 20, strike out the close quotation marks and following period and after such line insert the following:

"(7)(A) No basic grant shall be awarded to an incarcerated student under this subpart that exceeds the sum of the amount of tuition and fees normally assessed by the institution of higher education for the course of study such student is pursuing plus an allowance (determined in accordance with regulations issued by the Secretary) for books and supplies associated with such course of study, except that no basic grant shall be awarded to any incarcerated student serving under sentence of death or any life sentence without eligibility for parole or release, any individual who will not be eligible for parole or release within 5 years, or any individual classified as a 'habitual criminal' as defined by State statute.

"(B) Basic grants under this subpart shall only be awarded to incarcerated individuals in a State if such grants are used to supplement and not supplant the level of post-secondary education assistance provided by such State to incarcerated individuals in fiscal year 1988.

"(C) No grant shall be awarded to an incarcerated individual to attend an institution unless the majority of the undergraduate programs of study offered by such institution lead to an associate or baccalaureate degree.".

Page 345, line 20, strike the close quotation marks and following period and after such line insert the following:

"(5) Any entity shall not be considered to be an insitution of higher education pursuant to paragraph (1), if such entity has a student enrollment in which more than 30 percent of the students are incarcerated.".

Mr. TOWNS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment offered as a substitute for the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TOWNS. Mr. Chairman, while I agree with the gentleman's concerns regarding abuses in the Pell Grant Program, slamming the door on educational programs which have shown an ability to significantly lower recidivism I believe goes too far.

The Senate very wisely has already adopted language which restricts the Pell Grant Program for students who are incarcerated. My amendment goes even further than the Senate language which was passed in that: First, it denies a Pell grant to any incarcerated student who is serving a sentence of death or a life sentence without parole, is not within 5 years of parole, or is classified as a habitual criminal; second, it prohibits States from using Pell grant money to supplant their own State education programs. In other words, States must match Federal Pell grant funds; third, my amendment restricts the use of Pell grant money to only tuition plus books and supplies; fourth, it limits the use of Pell grants to institutions where a majority of the undergraduate programs lead to an associate or baccalaureate degree; and last, my amendment puts a limit on the number of incarcerated students within an institution to only 30 percent of the student body.

I, too, am disturbed by reports of schools established solely to provide education to draw Federal student aid

funds from prisoners. Therefore, I have designed my amendment to establish even tighter restrictions on providing Pell grants to incarcerated students to reform the current system.

By a widening margin the United States remains the world's biggest user of prisons. Nationwide, the total inmate population has tripled since 1975. In my home State of New York, the population is 3½ times greater, increasing from just over 16,000 in 1975 to more than 57,000 in 1991. According to the U.S. Department of Justice, nationwide, 49.6 percent of the incarcerated are caucasian, 47.8 percent are African-Americans, and 2.6 percent are Hispanic or other ethnic minorities.

The Department of Justice also reports that nationwide, 41 percent of all prisoners have less than a ninth grade education and yet further findings point to the fact that those who leave prison with a college education are less likely to return to a life of crime. I submit that it is more cost effective to spend the $1,660 a year to educate a prisoner than the $25,000 a year that it costs in my home State of New York or $30,000 in other States, to incarcerate an individual. Education is our primary hope for rehabilitating those who are incarcerated. The door into prison remains a revolving one unless education is used to break the cycle.

Without education, I am afraid that we are doomed to a recidivism rate of almost 50 percent. All the evidence shows, however, that recidivism rates are drastically lowered for those who participate in postsecondary education programs. It is because of these educational opportunities that incarcerated individuals can turn their lives around and take on productive roles that contribute to society.

Let us not forget that 97 percent of all prisoners will be released back into society. If we want them to return to society with the tools to turn away from a life of crime then education is the key.

Mr. GOODLING. Mr. Chairman, I rise in support of the substitute.

Mr. Chairman, I realize this is dangerous after seeing my subcommittee ranking member in action here this afternoon. But I will take a chance anyway. I realize that politically I am on the wrong side of this issue, but in my heart I think I am on the right side of the issue.

When we think that it costs $30,000 per year to reincarcerate someone or to send them to prison in the first place, that is a big bite for the taxpayer to pay. If, they are not on death row and they are not there for life, it seems to me what we should be trying to do is bring them back into society as well educated as we possibly can so that as a matter of fact they have an opportunity to get a job and be productive citizens and not cost the taxpayers $30,000 a year.

Statistics would indicate that for those parolees who have graduated from the college programs, 67 percent of them are employed 1 year after their release. On the other hand, only 40 percent of parolees who are high school dropouts are employed when they come out.

So I really believe if we want to save taxpayers money for those who are going to come out of prison, we should make every effort to see that they are as literate as possible, as well trained as possible and as well educated as possible.

Mr. COLEMAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I reluctantly yield to the gentleman from Missouri.

Mr. COLEMAN of Missouri. Mr. Chairman, this is not a question as to whether or not prisoners ought to have educational opportunities. I think they should. But I do not think they should come out of the Pell grants that are being denied to other American citizens.

So there is no question that we ought to put resources in the State and Federal Government for providing educational opportunities for those people. I am for that.

But if this substitute passes, we are going to have to explain why we think it is more important for our moneys to go to the prisoners than to the people who are not in prison, because we only have so much money, and that money can only be spread so far. If you siphon off $160 million to provide educational opportunity for prisoners, that is $160 million less that people who are hard working do not have.

So I am for educating prisoners. I am for not having them go back through this system and cycle again. But do not do it with the money of people who need it to pay their own tuition bills out here on the outside.

Mr. GOODLING. My problem with the argument is if we rely, for instance, on loans, then we are going to have a tremendous debt for the public to pay because it may be 10, 12 years until there is any possibility that those loans can be paid back. So again I reiterate.

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from Michigan, my chairman.

Mr. FORD of Michigan. Mr. Chairman, I could solve the gentleman's problem as to the reduction in Pell grant availability for other students if he would simply relax his opposition to my Pell grant as an entitlement provisions. If it were an entitlement, it would not make any difference, and we would solve the gentleman's problem.

Mr. GOODLING. Mr. Chairman, I yield back the balance of my time.

Mr. GORDON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the amendment of my colleague, the gentleman from Missouri [Mr. COLEMAN], and myself. The amendment is very simple. The amendment simply says that prisoners will not be eligible for Pell grants.

Let me just take a moment to talk about what we are debating and what we are not debating. We are not debating whether prisoners should have educational opportunities. Clearly prisoners should have educational opportunities. Clearly prisoners should have the opportunity to try to learn a skill so that when they get out they can better themselves and not come back. That is not the question.

The question is whether or not Pell grants is an efficient and a proper way to accomplish that. I think not.

Let me remind Members that every time that a prisoner gets a Pell grant that means a traditional student does not get a Pell grant. Not only do they not get it, but since prisoners have no income, they are first in line. So nobody else gets a Pell grant until all of the prisoners, with no income, get what they want.

What we are seeing is an industry build around this. Certainly there are some exceptions, and there are some good, responsible schools that are doing good work. But we are seeing an industry being developed around taking advantage of these prisoners to the point of recruiting them, paying them bounties so that some irresponsible school can set up some type of a program around these prisoners and let the taxpayers pay for it to the tune of $160 million a year.

Let me just relate to Members a true story that happened to me. It was about 4 or 5 weeks ago. A policeman in my hometown of Murfreesboro was talking to me about trying to help his son get some financial aid to go to school. We all know that policeman are not overly paid, but he made too much money to be able to get in any kind of a Pell grant program.

Let me tell Members, that policeman's son could not get a Pell grant. But if he arrested someone for breaking into your house tonight and put them in jail, then they could get a Pell grant. That just does not seem to make much sense.

□ 1600

We have limited resources. We need to spend them the best we can. Pell grants to prisoners does not make sense. It is not good policy, and I request my colleagues to support that position.

Mr. TOWNS. Mr. Chairman, will the gentleman yield?

Mr. GORDON. Certainly, I yield to my friend, the gentleman from New York.

Mr. TOWNS. Mr. Chairman, 45 percent of all males in jail when they were arrested were unemployed, so we are talking about people who qualify for

this. I mean, if we do not do this, then we are talking about the possibility of spending $30,000 when they go back. I mean, we are talking about $1,600 plus $30,000, and I think when we analyze it, that the real problem is a lack of education, and if there is an opportunity for them to get an education, then we will be able to save a lot of money in the long run.

Mr. GORDON. If I may reclaim my time, Mr. Chairman, let me say that the gentleman from New York and I have worked on his amendment, and his amendment, or substitute now, is clearly better than the alternative of doing nothing. I think the gentleman has come forward and tried to find a way even allowing prisoners to continue to get Pell grants in a more responsible way, so I compliment the gentleman for that; but the bottom line still is that either prisoners are eligible for Pell grants or not, either they take limited resources away from traditional students or not. Either they get in the front of the line or not.

Mr. FORD of Michigan. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as I understand it, if the Towns amendment is adopted to the amendment of the gentleman from Missouri, we will be very close to the language we will be meeting in conference with the Senate. That looks like a pretty good place to compromise.

We have been up and down this issue. I could agree with the Towns amendment, but I think what the gentleman from New York [Mr. TOWNS] offers us is a refinement of that amendment that does not run the danger of adopting a resolution that the Earth is flat. It gives us some time to work.

This is going to be an item in conference with the other body no matter what happens with this amendment, so I would like to suggest that the House might be better postured if we have the more conciliatory position of the gentleman from New York [Mr. TOWNS] than that of the gentleman from Missouri [Mr. COLEMAN], but by the time we get to conference the gentleman from Missouri [Mr. COLEMAN] and I are going to be on the same side anyhow, and the gentleman from New York [Mr. TOWNS] might be out.

Mr. MCEWEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by my colleague, the gentlemen from New York [Mr. Towns]. This amendment, which would preserve limited eligibility for Pell grants by prison inmates, strikes an important balance between fiscal restraint and open access to higher education services.

As you know, the United States is responding to cries to get tough on crime by imprisoning an increasing number of persons each year. In my State of Ohio along nine new prisons have been completed and construction for an additional four more has been budgeted. With approximately 1.1 million Americans currently in Federal, State, or local prisons, taxpayers pay about $20.3 billion a year in maintenance costs alone. However, we cannot overlook the role of education in reducing the revolving door of our prisons.

While I support preserving unrestricted access to higher education services for incarcerated students, I believe our amendment responds to the justifiable concerns that many schools are taking advantage of loopholes in the Pell Grant Program.

Among other aims, our amendment specifically would limit the percentage of incarcerated students in an institution of 30 percent of that body, and deny a Pell grant to any incarcerated student who is serving a sentence of death or life without parole; not eligible for parole within 5 years; or is classified as a "habitual criminal".

Mr. Chairman, there are may significant reasons to support continued Pell grants for inmates, among them:

Offenders are drawn from the same indigent population that Pell funding is designed to serve.

Less than 2 percent of current Pell grants go to incarcerated students.

Offender use of Pell funding yields crucial social benefits, including cost effective enhancement of prison security, increased employment levels among at risk minority youth, and substantially lower recidivism rates—as much as 60 percent lower after 1 year.

In a study of 317 paroled offenders performed by the Correctional Education Department of Wilmington College in Wilmington, OH, 27 percent of the parolees were reincarcerated within 1 year—106 persons. These 27 percent had less than a high school education. However, only 11 percent—95 persons—were reincarcerated who had the benefit of some form of college education.

Mr. Chairman, I believe that these facts speak for themselves. We simply cannot afford to cut off this valuable resource for offender education. This amendment seeks to assure the taxpayer that Pell money will not be abused, and will go only to those prisoners with the greatest chance of success.

I thank the gentleman from New York for his efforts and for the opportunity to work with him in addressing this essential issue. I urge my colleagues to adopt this compromise amendment.

Mr. PRICE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise today in support of the Towns perfecting amendment to the Gordon amendment regarding Pell grants for prisoners.

I want to start by complimenting the gentleman from Tennessee [Mr. GORDON] for his thoughtfulness and persistence on this issue. He has helped point out an area that is in great need of reform.

The addition of the Towns amendment will put the needed reforms in place while preserving a small and valuable component of the Pell Grant Program.

There are legitimate concerns about the current Pell Grant Program for prisoners. In some cases, tuition for prisoners has been set at an artificially high rate. Some schools have exploited the system to reap excessive profits. And there have been prisoners with life sentences who have received Pell grants.

In each instance, the Towns amendment deals with the abuse. Under the Towns amendment, prisoners with life sentences or facing the death penalty will be banned from receiving aid. Furthermore, a prisoner who is classified under State law as an habitual criminal is banned from the program. And only those prisoners who are within 5 years of parole or release will be eligible. Therefore, the program will now be directed to those people who are most likely to emerge from prison and make a contribution to society.

The amendment also mandates that no grant can be awarded which exceeds the sum of the tuition and fees normally assessed by an institution of higher education. This will stop the exploitative practices of some schools that have charged excessive tuition and made unwarranted profit from this program. Furthermore, since many of the schools involved in these schemes are in the for-profit sector, the amendment makes clear that only schools with a majority of their undergraduate program leading to an associate or baccalaureate degree can participate.

The Towns amendment, therefore, provides much-needed reforms. Equally important, however, it avoids throwing out the baby with the bath water. For an accountable and well-administered program whereby qualified instructors help prepare prisoners for life beyond prison can have major benefits both for these individuals and for society as a whole.

Members of the Postsecondary Education Subcommittee who came to North Carolina for a field hearing on the Higher Education Act last June will remember one particularly impressive witness, Hasoni Andrews, a student who has been enabled to attend North Carolina State University by Pell grants and student loans. A reporter asked her whether she thought prisoners should be more eligible for assistance, perhaps expecting her to feel that this would jeopardize her aid. Instead, she gave an answer that we all might employ in assessing this program: "I think the measure of whether prisoners get grants should be what the benefit is to society. Does a diploma

change prisoners, or do they get out and go back to crime?"

We have evidence that this program passes the test. In my home State of North Carolina, prisoners that have received associate or bachelor degrees because of the Pell Grant Program have a zero recidivism rate. This is in contrast to a 33-percent-recidivism rate in North Carolina as a whole. This means savings every day for our State because of the contribution these people make to our society, and we have fewer people returning to our prison system. Massachusetts has reported similar results, with prison men earning degrees having a 10-percent-recidivism rate compared to an overall recidivism rate statewide of 50 percent.

We also have important anecdotal evidence that this program works. One recent graduate who left prison in 1988 says that "she pushed her life forward" because of these college programs. One month after being released, she landed a job as an administrative assistant at $20,000 a year. She now supports her high-school daughter and is working toward a master's degree in public administration. She says that "I don't think that when I got out, I would have turned to a life of crime without a degree. But it keeps the focus on the positive, and now I can teach my children about striving to be a better person."

In this simple sentence, one can see the benefits this program can offer. The Towns amendment restructures this program so we can target it to institutions and individuals who can use it most productively and constructively. The Towns amendment offers true reform, and I urge my colleagues to accept it.

□ 1610

Mr. CONYERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to indicate my strong support for the Towns substitute amendment and hope that it will prevail.

Mr. Chairman, I rise today to express my strong opposition to Mr. GORDON's amendment. The issue of eliminating inmate access to Pell grants is not new. The premise for the argument is a valid and thought provoking one. Why should the American taxpayer reward incarcerated individuals with the privilege of education when the pool of funding is depleting rapidly for the rest of society? The answer is simple and well documented: By providing the tools of learning and self improvement, society can reap the benefits of creative, productive citizens, as well as break the cycle of crime and prison.

The United States leads the world in the rate of incarceration, and is second in number of inmates only to China, which has over four times our population. We cannot continue to spend money to ensure there is enough space for inmates. We need to decide what will reduce the numbers in these prisons. We need to invest in programs like education—not as a reward, but as an alternative.

Surprisingly, the amount of Pell grants used by the incarcerated is limited, often estimated to be less than 1.08 percent of Pell appropriations for last year. Statistics clearly show that this meager investment will radically improve an inmate's chances of permanent rehabilitation. According to the Department of Justice, recidivism rates for inmates participating in college programs was reduced from over 30 percent to a mere 11 percent. This means that 19 percent of those individuals who would have otherwise used taxpayers' money through trials and imprisonment, were instead contributing to society by working and paying their share of taxes. Most importantly, when you consider that it costs $30,000 per year to keep an individual in prison, this means a savings of $570,000 for every 100 inmates who do not return to crime.

In a study by the Federal Bureau of Prisons published in December of last year, it was shown that out of 7,000 Federal prisoners released from 1984 through 1986, those who received some training while incarcerated were more likely to hold community jobs, and less likely to recidivate. This means everything for the more than 600,000 young black men in our prison system. Think about this—more black men are in prison than there are black men enrolled in college full time. One out of four black men is under the control of the criminal justice system—prison, jail, probation, or parole. Prison may be one of the first opportunities many of them have to receive an education. Without a real improvement in the prospects for rehabilitation, we are in danger of losing a whole generation.

We must determine the purpose of our criminal justice system. If prisons have been created to solely punish, then elimination of Pell grants is justified. If, on the other hand, the purpose is to rehabilitate, then elimination of virtually the only method of doing that is detrimental. It's obvious that the most practical rehabilitative tool is education. Education socializes and provides a positive self-image which lasts an individual long after his sentence has been completed and well into his role as a hard working, contributing member of society. I urge you to defeat this amendment.

Mr. ALLEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Coleman-Gordon amendment without the substitute. Most of our constituents did not realize, until now, that their taxes are being used to provide educational grants for convicted felons. At the same time, most Virginians and most Americans are struggling to provide a college education for their own children.

Mr. Chairman, according to the Department of Education, the Federal Department of Education, every year our taxpayers are handing over $160 million in Pell grants for prisoners. The $160 million spent on prisoners this year could have provided, for example, $2,400 for over 65,000 deserving students from struggling middle-class families. Because the prisoners have no income, prisoners are receiving full Pell grant benefits, which are rarely given to qualifying students.

Some of the schools also provide services to prisoners who actually claim living expenses as a legitimate reimbursable expense.

I also have, Mr. Chairman, a letter that was addressed to the gentleman from Tennessee [Mr. GORDON] from an assistant professor in Virginia. This is the way some of these schools look at this opportunity, and I quote. He says,

I am a faculty member of a community college in southern Virginia and have first-hand knowledge of the inmate education program here.

I can assure you that the use of Pell money in the prisons is a cynical bureaucratic abuse of the taxpayer. My college became involved in this system because it could provide quick, easy enrollment at a time when business was slow with the paying public. By maintaining our enrollment, our administrators enjoyed bigger budgets. Rationalizations about 'rehabilitation' were invented later.

That is the actual situation out there in the real world, Mr. Chairman. I think it is high time that this House gets its priorities straight. There are many other educational programs available in our prisons. As a constituent of mine put it, "Let's put our educational dollars on hard-working students who would kill for a chance to go to school, and not spend them on someone who already did."

Mr. COLEMAN of Missouri. Mr. Chairman, would the gentleman yield?

Mr. ALLEN. I yield to the gentleman from Missouri [Mr. COLEMAN].

Mr. COLEMAN of Missouri. I thank the gentleman for yielding.

Mr. Chairman, the gentleman makes a very good point, that a lot of schools have contacted Members here. These are schools that have set up these in-prison educational opportunities. It is like—I do not know what—shooting fish in a barrel, because all you do is find a prisoner and you get $2,400, just like that. Every one of them is going to get the maximum award.

Where does that $2,400 go? It goes from the prisoner's hands right into the coffers of the school.

Now, even some quasi-legitimate schools are doing this, unfortunately, because they see this as a real profit-maker.

There is no overhead. The Federal Government and State Government are paying for the campus, if you will, and the prisoners are right there. All they do is send in somebody. If you have 25 or 30 people in a classroom, multiply that by $2,400, you take the teacher's pay out, and the rest of it is gravy.

So, we are hearing a lot today about the concerns about prisoners that is really generated by these schools out there.

I have one of them, where 60 percent of their enrollment is in prisons—60 percent. Some of them are up to 80, 90 percent.

This is something they have keyed in on, they have really homed in on it. It is not going to get smaller, it is going to get bigger. It is $160 million today, and it could be $300 million, it could be a half-billion dollars, it could be a billion by the time this 5-year reauthorization is through.

Then I want everybody to go back home and say, "I voted for the substitute amendment that allowed a billion dollars to be spent on prisoners while I have to tell you there is no money left for you who are hard-working people who have never violated a traffic law, never received a parking ticket, I am sorry there is no money for you." But the people standing in line through these schools have gotten a billion dollars.

I thank the gentleman for yielding.

Mr. ALLEN. I thank the gentleman for his comments.

Mr. Chairman, I would conclude by saying that you can come up with examples where something is good, you can spend enough money on any sort of program and something will happen.

We have a saying in Virginia that even a blind hog will find an acorn now and then. But it does not mean we have to spend millions of dollars without a priority being set, without setting our priorities straight.

So, I would hope it would be the pleasure of the House to defeat the Towns substitute amendment and pass the Coleman-Gordon amendment.

Mr. GUNDERSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I thought my colleagues would be interested in knowing the most current data that we have. In January 1990 there were 6,310,000 Pell grant applicants. Because we do not have enough money, there were 3,142,000 recipients. Half the students in this country who applied for Pell grants were unable to get them because we do not have enough money. The fact is if we would reject the Towns substitute and we would adopt the Coleman-Gordon amendment, we would be able to say to 20,000 additional students who qualify today for Pell grants but cannot get them because of inadequate funding that they would receive grants. Or we would be able to tell students—and please understand Pell grant students are the most needy students among us—that their maximum grants would go up at least $75 per student.

An interesting article was printed in the June 5, 1991, Chronicle of Higher Education, because each and every one of us have heard discussions about how we at the Federal Government are shifting costs to the States.

In this case, the States are shifting costs back to the Federal Government because as they are dealing with their budget crunchers, they are literally saying we will cut our money for prison education and we will mandate that our prisoners must apply for Pell grants.

Now, if we would even think of continuing a policy of Pell grants for prisoners, we ought to understand that if we are serious about that, we have got to devise a totally new formula because the present Pell grant formula is relevant to a prisoner, because prisoners do not get wages.

So, they automatically qualify for the maximum Pell grant.

We have inadequate calculations of what the true cost of education for them is in terms of tuition, in terms of living expenses, et cetera.

So, the Pell grant formula today does not work for prisoners. No one is suggesting we change that.

So, I think those who want to continue this practice in and of themselves are not being totally honest with us. But what I would suggest that we do is we recognize that anyone who votes for the Towns substitute is saying that you are willing to continue denying 50 percent of the Pell grant applicants in your district funding for Pell grants so that you can fund prisoners.

When the truth is we have adult education, we have vocational education and we have prison education programs that ought to be the primary focus of the education of prisoners, which I believe we all support.

Mr. GORDON. Mr. Chairman, will the gentleman yield?

Mr. GUNDERSON. I yield to the gentleman from Tennessee [Mr. GORDON].

Mr. GORDON. I thank the gentleman for yielding.

Mr. Chairman, I would like to clarify the vote because it is a bit odd with the amendment and substitute.

So, let me make sure we are all together: As I understand the amendment, the Gordon-Coleman amendment says that prisoners will not be eligible for Pell grants.

Mr. GUNDERSON. That is correct.

Mr. GORDON. That prisoners will not stand before traditional students and get Pell grants.

Mr. GUNDERSON. That is correct.

Mr. GORDON. That prisoners will not take a Pell grant away from a traditional student.

Mr. GUNDERSON. That is correct.

Mr. GORDON. So, if that is the way you believe, you should vote for the amendment.

The substitute, on the other hand, says there are exceptions, that there are occasions when prisoners should get Pell grants rather than traditional students, should come before traditional students. And so the first vote is on the substitute, and my colleagues should vote "no" on the substitute if they feel that prisoners should not stand before traditional students in getting Pell grants.

□ 1620

Mr. GUNDERSON. The gentleman is correct.

Mr. GORDON. If my colleagues think they should, they should vote "yes." Is that correct?

Mr. GUNDERSON. The gentleman is correct. I appreciate the contribution.

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. GUNDERSON. I yield to my distinguished ranking member, the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Chairman, I appreciate the gentleman from Wisconsin [Mr. GUNDERSON] yielding to me, and I just wanted to make sure that the other side of the aisle understands that my side of the aisle is opposed to Pell grants as an entitlement program. I am afraid they are liable to get the wrong impression, and I want to make sure they understand that we are opposed to Pell grants being an entitlement.

Mr. GUNDERSON. Mr. Chairman, we are not only opposed to Pell grants being an entitlement. I hope we are also opposed to prisoners receiving priority over half the students in this country who are entitled to Pell grants and do not receive them.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. GUNDERSON] has expired.

(By unanimous consent, Mr. GUNDERSON was allowed to proceed for 1 additional minute.)

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. GUNDERSON. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Chairman, what the gentleman is referring to is that, if I had known that he, and the gentleman from Missouri [Mr. COLEMAN] and the rest were going to be making speeches here for how we could prevent this outrageous figure, which was just read, of half the people that are qualified for Pell grants not getting them, they would have been supporting Pell grant entitlements. They should have told me that before I dropped it.

Mr. GUNDERSON. Mr. Chairman, for once our strategy worked.

Mr. OWENS of New York. Mr. Chairman, I rise to support the substitute amendment being offered by Mr. TOWNS to the Coleman amendment which would ban Pell grants being awarded to prisoners.

Mr. Chairman, this Congress has been struggling to get a new crime bill enacted during the past year. That struggle is likely to continue for several more months, and once passed, our President has vowed to veto it.

What better crime prevention method is there than education? Other than jobs, I can think of none. And the first often leads to the second.

Some Members of this body only think of prison and capital punishment as deterrents to crime. Well, given the increase of crime in this age of longer prison sentences, mandatory prison sentences, and a resurgence of capital punishment, I would say that the evidence and the criminals are both laughing at us. Crime has not slowed or stopped. Building more prisons will not help. Killing more prisoners will not help.

Education and jobs will help. They are the only long lasting and assured method of crime prevention.

Pell grants are the cheapest form of Federal student aid that we have. If we pass the Towns substitute we will be ensuring that none of this Federal scholarship money is used for room and board—which the prison system is providing. We will be assured that no prisoners who are on death row or who will be in prison for the rest of their lives will receive this money—for they will not have a chance to make good use of it. We will be assured that no school is seeking to earn all of its money off of these prisoners by catering solely to them—inmate participation in an institution's program will be limited to 30 percent.

These and the other provisions contained in the Towns substitute will help to ensure that this program is not abused. Evidence shows that prisoners who get an education or are trained for a job can and do become productive members of our society. They hold jobs, they help to provide for their families and they do not commit crimes and they do not return to prison. Society not only saves $20,000 to $30,000 by not having to send them to prison, but they pay their share of taxes and help to support the community instead of taking from it.

Money spent on Pell grants for prisoners is money well spent.

To my colleagues who are so concerned that there are not enough Pell grants to give one to every student who is eligible, I ask them to defend their decision to oppose the Pell grant entitlement that was originally included in H.R. 3553. Denying Pell grants to prisoners will not provide enough money to give all eligible students an award. There would still be hundreds of thousands of students who need a Pell grant but could not get one. Where was their concern for these students when they objected to the Pell grant entitlement? Pell grants for prisoners is a tiny drop in the bucket of student aid funds—but it is a very important drop. As long as we do not work to help prisoners overcome the odds and better themselves, they will continue to be a burden to the communities across this country.

Support the Towns substitute. Support education for all would-be students and strike a crucial blow against crime.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. TOWNS] as substitute for the amendment offered by the gentleman from Missouri [Mr. COLEMAN].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. COLEMAN of Missouri. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. The Chair announces that pursuant to clause 2(c), rule XXIII, he will reduce to 5 minutes any recorded vote ordered on the amendment offered by the gentleman from Missouri [Mr. COLEMAN] if there is no intervening business or debate following the vote on the amendment of the gentleman from New York [Mr. TOWNS].

The vote was taken by electronic device, and there were—ayes 85, noes 314, not voting 35, as follows:

[Roll No. 58]

AYES—85

Abercrombie	Hobson	Pease
Beilenson	Horton	Peterson (MN)
Bentley	Jacobs	Price
Berman	Jefferson	Quillen
Blackwell	Johnson (SD)	Rangel
Bonior	Johnston	Regula
Carper	Jones (GA)	Roybal
Clay	Jontz	Sabo
Clement	Kennedy	Sanders
Collins (IL)	Kildee	Sawyer
Collins (MI)	Kopetski	Scheuer
Conyers	Kostmayer	Schumer
Cooper	Lancaster	Serrano
Coyne	Lewis (GA)	Solarz
DeFazio	Lowery (CA)	Stokes
Dellums	Lowey (NY)	Sundquist
Dickinson	Markey	Tanner
Dixon	McDermott	Towns
Dymally	McEwen	Unsoeld
Edwards (CA)	Mfume	Vento
Evans	Miller (CA)	Walker
Fazio	Mink	Washington
Flake	Moody	Waters
Foglietta	Moran	Weiss
Ford (MI)	Nowak	Williams
Ford (TN)	Oberstar	Wolpe
Goodling	Olin	Yates
Green	Owens (NY)	
Hayes (IL)	Payne (NJ)	

NOES—314

Ackerman	Cox (IL)	Guarini
Alexander	Cramer	Gunderson
Allard	Crane	Hall (OH)
Allen	Cunningham	Hall (TX)
Anderson	Darden	Hamilton
Andrews (ME)	Davis	Hammerschmidt
Andrews (NJ)	de la Garza	Hancock
Andrews (TX)	DeLauro	Hansen
Annunzio	DeLay	Harris
Anthony	Derrick	Hastert
Applegate	Dicks	Hatcher
Archer	Dingell	Hayes (LA)
Aspin	Dooley	Hefley
Atkins	Doolittle	Hefner
Bacchus	Dorgan (ND)	Henry
Baker	Dornan (CA)	Herger
Ballenger	Downey	Hertel
Barnard	Dreier	Hoagland
Barrett	Duncan	Hochbrueckner
Barton	Durbin	Holloway
Bateman	Dwyer	Hopkins
Bennett	Early	Horn
Bereuter	Eckart	Houghton
Bevill	Edwards (OK)	Hoyer
Bilbray	Edwards (TX)	Hubbard
Bilirakis	Emerson	Huckaby
Bliley	Engel	Hughes
Boehlert	English	Hunter
Borski	Erdreich	Hutto
Boucher	Espy	Hyde
Brewster	Ewing	Inhofe
Brooks	Fascell	Ireland
Broomfield	Fawell	James
Browder	Feighan	Johnson (TX)
Brown	Fields	Jones (NC)
Bruce	Fish	Kanjorski
Bryant	Franks (CT)	Kaptur
Burton	Frost	Kasich
Bustamante	Gallegly	Klug
Byron	Gallo	Kolbe
Callahan	Gaydos	Kyl
Camp	Gejdenson	LaFalce
Campbell (CA)	Gekas	Lagomarsino
Campbell (CO)	Gephardt	Lantos
Cardin	Geren	LaRocco
Carr	Gibbons	Leach
Chandler	Gilchrest	Lehman (CA)
Chapman	Gillmor	Lent
Clinger	Gilman	Levin (MI)
Coble	Gingrich	Lewis (CA)
Coleman (MO)	Glickman	Lewis (FL)
Coleman (TX)	Gonzalez	Lightfoot
Combest	Gordon	Lipinski
Condit	Goss	Livingston
Cox (CA)	Grandy	Lloyd
Long	Pastor	Skeen
Luken	Patterson	Skelton
Machtley	Paxon	Slattery
Manton	Payne (VA)	Slaughter
Marlenee	Pelosi	Smith (FL)
Martin	Penny	Smith (IA)
Matsui	Perkins	Smith (OR)
Mavroules	Petri	Snowe
Mazzoli	Pickett	Solomon
McCandless	Pickle	Spence
McCloskey	Porter	Spratt
McCollum	Poshard	Staggers
McCrery	Pursell	Stallings
McCurdy	Rahall	Stearns
McDade	Ramstad	Stenholm
McGrath	Ravenel	Studds
McHugh	Ray	Stump
McMillan (NC)	Reed	Swett
McMillen (MD)	Rhodes	Swift
McNulty	Richardson	Synar
Meyers	Ridge	Tallon
Michel	Riggs	Tauzin
Miller (OH)	Rinaldo	Taylor (MS)
Mineta	Ritter	Taylor (NC)
Moakley	Roe	Thomas (CA)
Molinari	Roemer	Thomas (GA)
Mollohan	Rogers	Thomas (WY)
Montgomery	Rohrabacher	Thornton
Moorhead	Ros-Lehtinen	Torres
Morella	Rose	Torricelli
Murphy	Rostenkowski	Traficant
Murtha	Roth	Traxler
Myers	Roukema	Upton
Nagle	Rowland	Valentine
Natcher	Sangmeister	Visclosky
Neal (MA)	Sarpalius	Volkmer
Neal (NC)	Savage	Vucanovich
Nichols	Saxton	Walsh
Nussle	Schaefer	Waxman
Oakar	Schiff	Weber
Obey	Schroeder	Weldon
Olver	Schulze	Wheat
Ortiz	Sensenbrenner	Wise
Orton	Sharp	Wolf
Owens (UT)	Shaw	Wyden
Oxley	Shays	Wylie
Packard	Shuster	Young (AK)
Pallone	Sikorski	Zeliff
Panetta	Sisisky	Zimmer
Parker	Skaggs	

NOT VOTING—35

Armey	Johnson (CT)	Roberts
AuCoin	Kennelly	Russo
Boehner	Kleczka	Santorum
Boxer	Kolter	Smith (NJ)
Bunning	Laughlin	Smith (TX)
Costello	Lehman (FL)	Stark
Coughlin	Levine (CA)	Vander Jagt
Dannemeyer	Martinez	Whitten
Donnelly	Miller (WA)	Wilson
Frank (MA)	Morrison	Yatron
Gradison	Mrazek	Young (FL)
Jenkins	Peterson (FL)	

□ 1644

Messrs. HERTEL, MCGRATH, OXLEY, and GEPHARDT, Ms. HORN, Mr. ACKERMAN, and Mr. SAVAGE changed their vote from "aye" to "no."

Messrs. DICKINSON, OBERSTAR, KENNEDY, SOLARZ, and REGULA changed their vote from "no" to "aye."

So the amendment offered as a substitute was rejected.

The result of the vote was announced as above recorded.

LEGISLATIVE PROGRAM

(By unanimous consent, Mr. COLEMAN of Missouri was allowed to proceed out of order.)

Mr. COLEMAN of Missouri. Mr. Chairman, for purposes of answering a lot of questions that have been posed to me about the rest of the evening and how far we are going to go and what time we might rise, I wonder if the gentleman from Michigan [Mr. FORD] could shed some light and give us an

idea of how long we will work this evening?

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. COLEMAN of Missouri. I yield to the gentleman from Michigan.

Mr. FORD of Michigan, Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, my instructions from the leadership are to finish this bill. My anticipation is if Members will give us some patience here, the gentleman from Missouri [Mr. COLEMAN] and I can finish this bill within another half hour to 45 minutes.

Mr. Chairman, I am prepared to do everything we can reasonably do. The gentleman from Missouri [Mr. COLEMAN] and I have been working very busily. We have been accepting amendments like they are going out of style. I do not want any Member to think that means we are going to accept them all. We are doing everything we can to wind this up. The very latest it should take, even if we have some difficulty, would be 6 o'clock.

Mr. COLEMAN of Missouri. Mr. Chairman, reclaiming my time, I would say if the gentleman is truly going to go forward, he is a little bit more optimistic than I am. There may be some recorded votes in there that would certainly extend that. In other words, there is not an imposed time?

Mr. FORD of Michigan. Mr. Chairman, if the gentleman will yield further, I am not trying to close the time down. I am trying to get the bill finished without keeping Members here unduly. I think with a little cooperation on both sides, we can do it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. COLEMAN].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. COLEMAN of Missouri. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 351, noes 39, not voting 44, as follows:

[Roll No. 59]

AYES—351

Ackerman	Beilenson	Bustamante
Alexander	Bennett	Byron
Allard	Bentley	Camp
Allen	Bereuter	Campbell (CA)
Anderson	Berman	Campbell (CO)
Andrews (ME)	Bilbray	Cardin
Andrews (NJ)	Bilirakis	Carper
Andrews (TX)	Bliley	Carr
Annunzio	Boehlert	Chandler
Anthony	Bonior	Chapman
Applegate	Borski	Clay
Archer	Boucher	Clement
Aspin	Brewster	Clinger
Bacchus	Brooks	Coble
Baker	Broomfield	Coleman (MO)
Ballenger	Browder	Coleman (TX)
Barnard	Brown	Combest
Barrett	Bruce	Condit
Barton	Bryant	Cooper
Bateman	Burton	Costello
Cox (CA)	Johnson (SD)	Porter
Cox (IL)	Johnson (TX)	Poshard
Coyne	Johnston	Price
Cramer	Jones (NC)	Pursell
Crane	Kanjorski	Ramstad
Cunningham	Kaptur	Ravenel
Darden	Kasich	Ray
Davis	Kildee	Reed
de la Garza	Klug	Regula
DeFazio	Kolbe	Rhodes
DeLauro	Kostmayer	Richardson
DeLay	Kyl	Riggs
Derrick	LaFalce	Rinaldo
Dicks	Lagomarsino	Ritter
Dingell	Lancaster	Roe
Dixon	Lantos	Roemer
Dooley	LaRocco	Rogers
Doolittle	Leach	Rohrabacher
Dorgan (ND)	Lehman (CA)	Ros-Lehtinen
Dornan (CA)	Lent	Rose
Downey	Levin (MI)	Rostenkowski
Dreier	Lewis (CA)	Roth
Duncan	Lewis (FL)	Roukema
Durbin	Lightfoot	Rowland
Dwyer	Lipinski	Sabo
Early	Livingston	Sangmeister
Eckart	Lloyd	Sarpalius
Edwards (OK)	Long	Sawyer
Edwards (TX)	Lowery (CA)	Saxton
Emerson	Lowey (NY)	Schaefer
Engel	Luken	Schiff
English	Machtley	Schroeder
Erdreich	Manton	Schulze
Espy	Markey	Schumer
Evans	Marlenee	Sensenbrenner
Fascell	Martin	Sharp
Fawell	Matsui	Shaw
Fazio	Mavroules	Shays
Feighan	Mazzoli	Shuster
Fields	McCloskey	Sikorski
Fish	McCollum	Sisisky
Ford (MI)	McCrery	Skaggs
Ford (TN)	McCurdy	Skeen
Franks (CT)	McDade	Skelton
Frost	McDermott	Slattery
Gallegly	McGrath	Slaughter
Gallo	McHugh	Smith (FL)
Gejdenson	McMillan (NC)	Smith (IA)
Gekas	McMillen (MD)	Smith (OR)
Gephardt	McNulty	Snowe
Geren	Meyers	Solarz
Gibbons	Michel	Solomon
Gilchrest	Miller (CA)	Spence
Gillmor	Miller (OH)	Spratt
Gilman	Mineta	Staggers
Gingrich	Mink	Stallings
Glickman	Moakley	Stearns
Goodling	Molinari	Studds
Gordon	Mollohan	Stump
Goss	Montgomery	Swett
Grandy	Moorhead	Swift
Green	Moran	Synar
Guarini	Morella	Tallon
Gunderson	Murphy	Tanner
Hall (OH)	Murtha	Tauzin
Hall (TX)	Myers	Taylor (MS)
Hamilton	Nagle	Taylor (NC)
Hammerschmidt	Natcher	Thomas (CA)
Hancock	Neal (MA)	Thomas (GA)
Hansen	Neal (NC)	Thomas (WY)
Harris	Nichols	Thornton
Hastert	Nowak	Torres
Hatcher	Nussle	Torricelli
Hayes (LA)	Oakar	Traficant
Hefley	Oberstar	Traxler
Hefner	Obey	Unsoeld
Henry	Olver	Upton
Herger	Ortiz	Valentine
Hertel	Orton	Vento
Hoagland	Owens (UT)	Visclosky
Hochbrueckner	Oxley	Volkmer
Holloway	Packard	Vucanovich
Hopkins	Pallone	Walker
Horn	Panetta	Walsh
Horton	Parker	Waters
Houghton	Pastor	Waxman
Hoyer	Patterson	Weber
Hubbard	Paxon	Weldon
Huckaby	Payne (VA)	Wheat
Hughes	Pelosi	Williams
Hunter	Penny	Wise
Hutto	Perkins	Wolf
Hyde	Peterson (MN)	Wolpe
Inhofe	Petri	Wyden
Ireland	Pickett	Wylie
James	Pickle	Yates
		Young (AK)
		Zeliff
		Zimmer

NOES—39

Abercrombie	Jacobs	Pease
Blackwell	Jefferson	Quillen
Callahan	Jones (GA)	Rahall
Collins (IL)	Jontz	Rangel
Collins (MI)	Kennedy	Roybal
Dellums	Kopetski	Sanders
Dickinson	Lewis (GA)	Savage
Edwards (CA)	McCandless	Scheuer
Flake	McEwen	Serrano
Foglietta	Mfume	Stokes
Gonzalez	Olin	Towns
Hayes (IL)	Owens (NY)	Washington
Hobson	Payne (NJ)	Weiss

NOT VOTING—44

Armey	Gradison	Ridge
Atkins	Jenkins	Roberts
AuCoin	Johnson (CT)	Russo
Bevill	Kennelly	Santorum
Boehner	Kleczka	Smith (NJ)
Boxer	Kolter	Smith (TX)
Bunning	Laughlin	Stark
Conyers	Lehman (FL)	Stenholm
Coughlin	Levine (CA)	Sundquist
Dannemeyer	Martinez	Vander Jagt
Donnelly	Miller (WA)	Whitten
Dymally	Moody	Wilson
Ewing	Morrison	Yatron
Frank (MA)	Mrazek	Young (FL)
Gaydos	Peterson (FL)	

□ 1658

The Clerk announced the following pair:

On the vote:

Mr. Kleczka for, with Mr. Santorum against.

Mr. FLAKE and Mr. KOPETSKI changed their vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. KILDEE. Mr. Chairman, move to strike the last word. Mr. Chairman, I would like to engage in a colloquy with the chairman of the Committee on Education and Labor, Mr. FORD.

Mr. Chairman, is it the gentleman's understanding that full-time volunteers, such as Peace Corps and VISTA workers, and others who perform comparable service with tax-exempt service organizations, will continue to qualify for deferments under the economic hardship definition in this bill, under the same terms as they now qualify.

Mr. FORD of Michigan. If the gentleman will yield, I would say to the gentleman, that is correct. These individuals you described will qualify for a student deferment under the economic hardship category.

Mr. KILDEE. Mr. Chairman, is it also the gentleman's understanding that medical residents who meet the debt-to-income ratio as set by the Secretary will qualify for deferments under the economic hardship definition in this bill?

Mr. FORD of Michigan. That is also correct, I say to the gentleman from Michigan, Mr. KILDEE. These medical residents who meet the debt-to-income ratio will also qualify for a student deferment under the economic hardship category.

Mr. KILDEE. Mr. chairman, I thank the gentleman for clarifying these points.

AMENDMENT OFFERED BY MR. KASICH

Mr. KASICH. Mr. Chairman, I offer an amendment on page H6690 of the RECORD. It has to do with performance-based budgeting.

The CHAIRMAN. The Chair would ask the gentleman from Ohio [Mr. KASICH] if he will give the Clerk a page reference number in the bill.

Mr. KASICH. Page 217, Mr. Chairman.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. KASICH: Page 217, after line 6, subsection (n)(1) shall read as follows:

(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% relative to the prior fiscal year. Such funds shall be in addition to, and not in lieu of, other appropriations made for such purposes.

After line 20, subsection (n)(3) shall read as follows:

(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% 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 Committee 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.

Mr. KASICH (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. KASICH. Mr. Chairman, let me just say that I do not really want to belabor the debate on this bill.

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. KASICH. I want to present this, but I am glad to yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Chairman, as far as I am concerned it is a good amendment and we are prepared to accept it.

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. KASICH. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Chairman, we accept it also.

Mr. KASICH. Mr. Chairman, I am glad for that incredibly quick unanimous acceptance. I would just like to take 1 second to explain what it does.

Mr. FORD of Michigan. Mr. Chairman, I would say to the gentleman, I have seen Members do this on the floor and then lose the vote.

Mr. KASICH. Mr. Chairman, I will not belabor the point. On my second amendment I will not call for a rollcall vote.

Let me explain to the membership quickly what it does. This involves a scenario called performance-based budgeting. What it attempts to do is set performance standards we can measure.

The Committee on the Budget approved five pilot projects to do this, and I want to do this on a number of other authorization bills, the purpose of which is for us to be able to measure whether things work in a definitive sense. This will be the first one of what I hope will be a number of other amendments.

I know Members want to go home and get planes so I will yield back the balance of my time. I thank the chairman for accepting the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. KASICH].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. KASICH

Mr. KASICH. Mr. Chairman, I offer an amendment at page 180.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. KASICH: Page 180, after line 17, insert the following new subsection (and redesignate the succeeding subsections accordingly):

(p) ADDITIONAL LENDER COLLECTION EFFORTS.—Section 428(b) of the Act is further amended by adding at the end the following new paragraph:

"(9) ADDITIONAL LENDER COLLECTION EFFORTS.—Notwithstanding any other provision of this part, for any loan made after the date of enactment of this paragraph a lender shall be required to retain for collection, for an additional 90 days, any loan that, but for this paragraph, is eligible to be presented to the guaranty agency for reimbursement. Notwithstanding such provisions, during such additional 90 days—

"(A) the lender may not present such loan for reimbursements;

"(B) no interest shall accrue on the loan;

"(C) the lender may use its normal, consumer loan collection practices in seeking to obtain payment from the borrower on the loan (without regard to procedures established under this part concerning due diligence); and

"(D) if the borrower makes payments sufficient to return the loan to current status, the interest that is prohibited from accruing under subparagraph (B) shall be added to principal."

Mr. KASICH (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. KASICH. Mr. Chairman, I will be very brief. I understand the committee is going to oppose this amendment. I will be glad to actually withdraw this amendment and take a look at what results we have next year.

We once had an amendment that the gentlewoman from New Jersey [Mrs. ROUKEMA] offered that I supported to reduce the guarantee to the banks to 90 percent. We give the banks 100-percent guarantee and obviously they do not exercise very due diligence on who they loan to and how they collect.

We have given up our fight on the 90 percent because we cannot win it. This is another approach to that. It says that instead of banks being able to file for their money 180 days after a loan is labeled as being in default this would force the banks to wait an additional 90 days, whereby they could make aggressive collection efforts. In that regard I think it would improve the system, because the banks would have an incentive to go out and be more aggressive in getting the student loans rather than exercising what is this "due diligence" that does not work very well.

Mr. Chairman, I am prepared to withdraw this amendment and take a look at what the amendment I just offered yields for next year and revisit this issue. However, 3 years ago or 2 years ago the gentlewoman from New Jersey [Mrs. ROUKEMA] and I got into what I could only title as a kind of a nasty debate on this House floor about the fact that the Student Loan Program, now it is up to $13 billion in defaults, and we needed to stem this flow. We were told that all these things are in place to solve this problem.

I do not in any way, shape, or form not believe that the committee is making a good-faith effort. But in the same way that I think Members outside of the Committee on Armed Services ought to offer amendments to fix armed services problems, because we get too close to the forest and we cannot see the trees, I think the same is true when it comes to the Committee on Education and Labor.

I noted, keeping Jerry Brown, believe it or not, in the back of my mind, on the front page of the New York Times yesterday it said that the proprietary schools of this country are drinking champagne tonight and they spent $1 million to prevent the committee from being able to put language in there to severely restrict which proprietary schools could continue to be part of the program.

This is a problem. What I am saying is that I think we have to be more aggressive toward the lenders. We have to force them to exercise more due diligence.

I respect the committee's efforts, but if they do not yield something next year, we are going to come back and we will be willing to get in the trenches again and fight the battle.

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. KASICH. I am glad to yield to the gentleman from Michigan. If he would like to comment and ask me to withdraw it, I will be glad to do so.

Mr. FORD of Michigan. Mr. Chairman, beating a dead horse is not the same as belaboring. I understand where the gentleman from Ohio [Mr. KASICH] is coming from. I can assure him that Members on both sides of the aisle on the committee are sympathetic to what he is trying to achieve. We will work with him in the future as we find out more about it to see how we can satisfy him even more.

I should observe that if we look at the totality of this bill, we are nipping the bankers pretty hard, the lenders. I am advised, and I do not usually do what they ask me to do, but I am advised we have a number of them about to go over the wall and leave our students without loans. We are just a little bit worried about, unless we are careful, tipping the scales too heavy against them.

For that reason I am sure the gentleman from Missouri [Mr. COLEMAN] will join with me in asking the gentleman from Ohio to please withdraw this and work with us in the future.

Mr. KASICH. Mr. Chairman, just reclaiming my time briefly, I would say to the gentleman from Michigan that we have to recognize there are lenders of last resort that can take up the slack should we have a difficulty with a number of lending institutions. That number continues to grow.

Let me say to the chairman that when we take a look at the $25 million we are spending to take a look at the inherent problems of student loan collection that we can actually take the recommendations that this committee or this commission is going to make and implement some of them. I hope we will be open to whatever they suggest needs to be done to stem the flow.

Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio [Mr. KASICH]?

There was no objection.

AMENDMENT OFFERED BY MR. WISE

Mr. WISE. Mr. Chairman, I offer an amendment on page 299.

The CHAIRMAN. The Chair would inquire of the gentleman from West Virginia whether this amendment has been printed in the RECORD.

Mr. WISE. It has been printed in the RECORD, Mr. Chairman.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. WISE: Page 299, line 21, strike the semicolon and insert a period and strike lines 22 and 23.

Page 309, line 10, strike "and"; on line 12, strike the period and insert "; and"; and after line 12 insert the following:

"(D) the amount (if any) by which the parents' available income (as determined under subsection (c)) is less than zero.

Mr. WISE. Mr. Chairman, I will offer this amendment to make it easier for students from working-class families to receive financial assistance for education. it is a simple amendment. What it does is to allow working students to use the money they earn to help support their families without being penalized when they apply for financial aid.

This is presently in the law already. This would be accomplished by reinstating an offset currently existing in the Pell grant formula.

Mr. Chairman, I am offering an amendment which would make it easier for students from working-class families to receive financial assistance for education.

The makeup of families in America has changed over the past 10 or 15 years. In my State and all across this country there are many families with single parents or families where an older relative, perhaps a grandparent, resides in the home. This fact, combined with current economic circumstances, has led to a situation where many high school students must work—not to buy $150 tennis shoes or Nintendo games—but to help put food on the table.

What my amendment would do is to allow working students from working-class families to use the money they earn to help support their families without being penalized when they apply for financial aid. This would be accomplished by reinstating an offset which currently exists in the Pell grant formula into the new combined-needs-analysis formula.

The needs-analysis formulas for all types of financial aid are being combined for administrative simplicity. Currently in calculations for Pell grants, if the parents' expected contribution is so low it produces a negative number in the aid calculations, that number can be offset by money earned by the student. My amendment would reinstate that offset in the new combined-needs-analysis formula. Simply put, this amendment allows poor kids who work to use their hard-earned money to help support their families and still qualify for financial aid.

It is worthwhile to note that the Senate version of the higher education bill includes this offset.

Mr. Chairman, today it is popular to talk about our Nation's competitiveness abroad and building a stronger economic infrastructure here at home. To accomplish these goals we must ensure people of all income levels and social classes have greater access to education. This is a vital component in our Nation's economic growth today and our Nation's future tomorrow.

I urge you to vote yes for this amendment which helps those who need it the most and those who are trying the hardest to continue their education and make a better life for themselves.

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. WISE. I am happy to yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Chairman, we have examined the amendment of the gentleman from West Virginia and have discussed it with him. The majority has no objection to the gentleman's amendment.

Mr. WISE. I thank the chairman.

□ 1710

Mr. GOODLING. Mr. Chairman, if the gentleman will yield, we have no objection to the amendment.

Mr. WISE. Mr. chairman, I ask that the amendment be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia [Mr. WISE].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. GORDON

Mr. GORDON. Mr. Chairman, I offer an amendment at page 345, line 16.

The Clerk read as follows:

Amendment offered by Mr. GORDON: Page 345, after line 16, insert the following new paragraph (and redesignate the succeeding paragraph accordingly):

(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), unless the majority of the undergraduate programs of study offered by such institution lead to an associate or baccalaureate degree.

Mr. GORDON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. GORDON. Mr. Chairman, my distinguished colleagues, the gentlewoman from New Jersey [Mrs. ROUKEMA] and the gentlewoman from California [Ms. WATERS] and I have a series of amendments that we feel will improve the accountability and integrity of the financial aid program. These amendments are also supported by the Department of Education.

Mr. Chairman, before I get into the first amendment, what I would like to do is say what this debate is about and what it is not about. This debate is not about whether or not we should close all proprietary schools or whether we should close all of the so-called for-profit schools. I have some good proprietary schools in my district, and I suspect most everyone here has some good proprietary schools. The question is, Are we going to get the bad schools out of the program, are we going to get those schools that are cheating the taxpayers out of billions of dollars and cheating the students out of a legitimate education?

How did we get here? Back in 1982 the Student Loan Program or Student Aid Program had a 10-percent default rate amounting to about $300,000. Last year

the student default rate amounted to 54 percent of our financial aid program, $3.5 billion. Just imagine what we could have done with Pell grants and student loans if we had that $3.5 billion back.

Why did we get in this situation? For two reasons.

First of all, over the last 12 years the Department of Education has done a horrible job in overseeing the financial aid program and the student loan program. Hopefully we have their attention now. I think we are going to have some amendments that are going to improve that situation.

Second, there has been a proliferation of so-called proprietary schools, for-profit schools often thought of as trade schools. In 1980 there were about 2,000 of these schools. Today there are approximately 6,000 of these schools.

Let me tell Members what they have done to the program. Proprietary schools amount to 10 percent of the students in postsecondary education. However, they have 35 percent of the loans and 50 percent of the defaults. We are going to have some folks who will come in and say do not throw the baby out with the bath water. That is not what we are trying to do. They said the same thing about the S&L's. We are not trying to close the good schools; we are trying to get the bad schools out of the program.

Remember, this is a 5-year, $100 billion program. We have to get the bad apples out of the barrel now.

My amendment is very simple. It simply says that if a school has been deemed to be ineligible for student loans because of their poor management—or for whatever reason—that they could no longer receive student loans, they should also not be able to receive Pell grants. It only makes sense that if a school is not handling student loans properly, then clearly they are not going to handle Pell grants.

Let me give an example. I have a school in my State that a couple of years ago had a 65 percent default rate, 3,500 students that resulted in $5 million in defaults in 1 year. If we take all of the public schools in Tennessee there are 90,000 students and they only had $3 million in default rates. At the same time that this school was having a 65 percent default rate, its two owners were making $7.7 million in profit while we put $26 million of Federal taxpayers' dollars into that school. So they were taking taxpayer dollars, running them through the students into their pockets as profit.

So, Mr. Chairman, this amendment is very clear. It simply says that if a school is deemed to be ineligible for student loans they should also be deemed ineligible for Pell grants.

Mr. FORD of Michigan. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I believe that the gentleman from Missouri [Mr. COLEMAN] has an amendment to offer to the amendment. I have looked at that and the amendment before us. If the amendment of the gentleman from Missouri is adopted amending the amendment of the gentleman from Tennessee, I am prepared to accept the perfected amendment.

AMENDMENT OFFERED BY MR. COLEMAN OF MISSOURI TO THE AMENDMENT OFFERED BY MR. GORDON

Mr. COLEMAN of Missouri. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. COLEMAN of Missouri to the amendment offered by Mr. GORDON: In the matter proposed to be inserted by the amendment of the gentleman from Tennessee, strike out ", unless the majority of the undergraduate programs of study offered by such institution lead to an associate or baccalaureate degree".

Mr. COLEMAN of Missouri (during the reading). Mr. Chairman, I ask unanimous consent that the amendment to the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COLEMAN of Missouri. Mr. Chairman, I support the gentleman from Tennessee [Mr. GORDON] in his amendment, but he provides cutting off only those schools that have default rates on GSL's, cutting off Pells for proprietaries, and I think if we are talking about shoddy schools, proprietary or traditional, we ought to have both of them have the same standard. That is what the perfecting amendment does. It does not matter if you go to a proprietary school or a traditional school, if you are over that cutoff, which will be 30 percent next year for GSL's, then you also are going to have Pells cut off.

It is very simple, but I think we have to apply it to the entire education community and not just single out one part. I think we ought to get all of these schools. Any school that is over 30 percent cannot be all that good, they have problems, and they ought to lose their Pell grants, proprietary or traditional.

Mr. Chairman, I yield back the balance of my time.

□ 1720

Ms. WATERS. Mr. Chairman, I move to strike the requisite number of words.

I would like to ask all of those who are truly concerned about being responsible on this issue to understand what we are doing at this time. The gentleman from Tennessee [Mr. GORDON] just offered an amendment that would do something about the rip-off that is going on in our society. He did it in such a way as to recognize that there are some good schools. I think that amendment should be adopted.

I do not support the substitute amendment, because it goes too far.

There are those who have raised the question, are we being responsible in what we are doing? We certainly are being responsible in what we are doing.

I would say to you that the substitute amendment goes too far. You do not wish to cut off good schools that are granting degrees with 2-year programs and 4-year programs.

Mr. Chairman, I would ask that we not support the substitute amendment, but instead support the amendment that was offered previous to that.

Mrs. LOWEY of New York. Mr. Chairman, I rise in strong support of the amendment.

First, I want to make clear that the bill before us today contains the most sweeping integrity provisions in the history of the Higher Education Act, and Chairman FORD deserves enormous credit for the many significant advances that have been made in this regard.

The bill recognizes that, in order to truly end the default crisis, we must pay careful attention to preventing defaults before they occur—by preventing poor quality educational institutions from participating in Federal student aid programs.

This, in turn, will only be accomplished by improving our gatekeeping procedures for participation in student aid programs, including departmental certification, accreditation, and State-level approval of institutional eligibility.

And the bill accomplishes all of those tasks.

I know, because I spent the last year working closely with ranking member GOODLING in crafting strong State approval provisions.

BILL GOODLING and I introduced a bill last April, the Integrity in Higher Education Act, which sought to improve State approval of institutional eligibility.

Then, working together with the higher education community, we reached an agreement that all sides felt was workable and fair: A two-tiered approach in which schools that fail certain objective criteria on the first tier will be subjected to a deeper, second-tier review of the quality of its programs.

That basic structure is now reflected in the bill, and it is an excellent one. However, some of the specific criteria are not as strong as they once were.

With the Gordon amendment, we have the potential to make one of the best parts of this bill even better.

There is no reason why we shouldn't trigger an institution for State review which has reached a default rate of 25 percent. In fact, to do less would be to do a disservice to the institution and its students.

Let's remember that the beauty of the two-tiered approach in the bill is that it does not summarily throw an institution out of title IV student aid programs. Instead, if the institution shows warning signs of high default rates or financial problems, it is subjected to a deeper review.

Those institutions which are running quality programs will remain eligible for title IV student aid, while the bad apples—fraudulent and substandard schools that are bilking students and the taxpayers—will be rejected.

Based on the experience in New York State, where a strong State approval process is al-

ready in place, these provisions have the potential to save several billion dollars per year in reduced default costs—without any negative impact whatsoever for quality institutions.

Again, if we do not review a school when it reaches a 25-percent default rate, we are doing the school, its students, and the taxpayers a disservice.

Some in the higher education community have been frightened by the specter of the State interfering in the governance of institutions of higher education. But these concerns are completely misplaced. In fact, the new State approval provision's part H specifically prohibits any such interference.

This amendment is directed solely at eliminating waste and fraud, and that is all it will accomplish.

It has bipartisan support on the committee, and it is strongly supported by the administration.

I would urge all of my colleagues on both sides of the aisle to join in support of it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. COLEMAN] to the amendment offered by the gentleman from Tennessee [Mr. GORDON].

The amendment to the amendment was agreed to.

Mr. FORD of Michigan. Mr. Chairman, I move to strike the last word.

Mr. Chairman, as I indicated, now that the Coleman amendment has been adopted, the majority has no objection to the Gordon amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. GORDON], as amended.

The amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MRS. ROUKEMA

Mrs. ROUKEMA. Mr. Chairman, I offer an amendment.

The CHAIRMAN. Has the amendment appeared in the RECORD?

Mrs. ROUKEMA. Yes, Mr. Chairman. The amendment is printed in the RECORD.

The CHAIRMAN. The Clerk read as follows:

Amendment offered by Mrs. ROUKEMA: Page 416, strike out lines 20 through 22 and insert the following (and redesignate the succeeding paragraphs accordingly):

"(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—

Mrs. ROUKEMA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mrs. ROUKEMA. Mr. Chairman, the bill we have before us is a good bill. But it is not perfect and can be improved. It does a lot to strengthen the State oversight and licensure provisions. This amendment I have tightens those oversight provisions.

I can best characterize the amendment as the early warning system amendment. I think that is a fair characterization of it. It puts in the 25-percent default-rate trigger, and it would not mean that schools would be precluded from participation in the guaranteed student loan [GSL] programs when they reach that 25 percent. It simply would mean that States would review the schools that have 25 percent of their student loans in default.

Mr. FORD of Michigan. Mr. Chairman, will my colleague, the gentlewoman from New Jersey, yield?

Mrs. ROUKEMA. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Chairman, I was prepared to oppose this, but the hour is late and knowing the persuasive ways of the gentlewoman from New Jersey and her determination, I am willing to go back on the compromise that I tried to make after the bill was reported from the committee, on the understanding that the language we are adopting is what was in the original bill that we reported from the committee. It is different from the Senate, in any event, so the gentlewoman and I will be arguing with other people before the summer comes on this issue.

For that reason, Mr. Chairman, the majority will accept the gentlewoman's amendment.

Mrs. ROUKEMA. Mr. Chairman, I thank the gentleman.

May I just make the point that yes, it is the condition that was in the bill as it came out of the committee.

Restoring the 25-percent default-rate trigger would not mean that schools would be precluded from participation in the guaranteed student loan [GSL] programs. Restoring this trigger simply would mean that States would review schools that have 25 percent of their student loans in default.

Under current law—OBRA 1990—schools that exceed the 35-percent cohort default rate for 3 consecutive years lose GSL eligibility. In fiscal year 1993, the cohort default rate threshold will drop to 30 percent. Certainly any school that exceeds a 25-percent default rate in any single year should be put on notice that it is running the risk of losing eligibility under the cohort default rate established under OBRA.

This is common sense. And, in fact, is assistance—early warning system.

Before you are eliminated, correct the deficiencies.

The arguments advanced for weakening the committee-approved integrity provisions center on the fact that many of the schools participating in title IV student aid programs believe that these provisions will permit States to interfere in their affairs. Let me stress, the fact is, good schools have nothing to fear from these provisions or from this amendment.

For all those who have spoken at home to waste, fraud, and abuse, this is a litmus test amendment.

The administration strongly supports it.

Mr. GOODLING. Mr. Chairman, will the gentlewoman yield?

Mrs. ROUKEMA. I yield to the gentleman from Pennsylvania, the ranking member.

Mr. GOODLING. With the understanding, Mr. Chairman, that we will have no problems, I would be happy to accept the gentlewoman's amendment.

Mrs. ROUKEMA. I do not know what the gentleman means by no problems, but I am always accommodating on committee business.

Mr. GOODLING. In the committee or any other time.

Mrs. ROUKEMA. Mr. Chairman, I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New Jersey [Mrs. ROUKEMA].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. WILLIAMS

Mr. WILLIAMS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Chair would inquire whether the amendment has appeared in the RECORD.

Mr. WILLIAMS. Yes, Mr. Chairman, it has.

The CHAIRMAN. The Clerk will read the amendment.

The Clerk read as follows:

Amendment offered by Mr. WILLIAMS: Page 87, after line 10 insert the following new subsection (and redesignate the succeeding subsection accordingly):

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

"(g) ADJUSTMENTS FOR 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 appropriation), the Secretary shall, from the next succeeding fiscal year's appropriation for this subpart, expend such sums as may be necessary to meet any such insufficiencies for the proceeding fiscal year.".

POINT OF ORDER

Mr. GOODLING. Mr. Chairman, I raise a point of order on the amendment.

The CHAIRMAN. The gentleman from Pennsylvania is recognized on his point of order.

Mr. GOODLING. Mr. Chairman, under clause 5(a), rule XXI no amendment proposing an appropriation shall be in order during consideration of a bill reported by a committee not having jurisdiction.

The subject amendment requires the Secretary of Education to borrow from future years of appropriation in order to pay for a shortfall in the current year.

This amendment will require current appropriations to be spent for a pre-

vious fiscal year, appropriating on an authorizing bill, and let me say that we have been down this road on school lunches, and what a mess we had and what a time we had to get out of that mess, and I sure do not want to see us do the same thing on another piece of legislation.

The CHAIRMAN. Does the gentleman from Montana wish to be heard?

Mr. WILLIAMS. Yes, Mr. Chairman.

The CHAIRMAN. The gentleman from Montana may proceed.

Mr. WILLIAMS. Mr. Chairman, I rise to oppose the gentleman's point of order.

Mr. Chairman, as the gentleman knows, the effective date of the legislation before us is October 1, 1992. It is certainly not the intention of this Member that the amendment now before us would apply to fiscal years before that date of enactment.

In fact, I have offered to a number of our colleagues on the other side that I would modify the legislation that I seek to offer with an amendment to make that clear.

The factual realities about the amendment before us applying to appropriations already made are simply not supportable. Previous Pell grant shortfalls have already been covered by subsequent appropriations. Unless the gentleman has information that there is another shortfall coming, there is no factual way that this amendment could be applied retroactively.

To my knowledge, the full payment schedule indicating that there was no insufficiency of funds was released in February 1991, so the facts pertaining to this program would indicate that the legislative possibility that the gentleman raises will never factually occur and that the real impact of this amendment will not be on appropriations already made, but on appropriations to be made in the future.

The CHAIRMAN. Does any other Member wish to be heard on the point of order?

Mr. GOODLING. Yes, Mr. Chairman.

The CHAIRMAN. The gentleman from Pennsylvania may proceed.

Mr. GOODLING. Mr. Chairman, that was a hypothetical case the gentleman gave. As a matter of fact, no matter what the gentleman expected to do, technically it applies retroactively. There is no other way you can slice it.

The CHAIRMAN (Mr. PEASE). The Chair is prepared to rule.

On its face, the amendment of the gentleman from Montana relates to appropriations for any year. The amendment permits appropriations for one fiscal year already appropriated, therefore, to be devoted to program funding for another fiscal year and therefore carries an appropriation in violation of clause 5(a), rule XXI, and the Chair sustains the point of order.

□ 1730

AMENDMENT OFFERED BY MR. WILLIAMS

Mr. WILLIAMS. Mr. Chairman, I offer an amendment, which has been printed in the RECORD.

The Clerk read as follows:

Amendment offered by Mr. WILLIAMS: Page 87, after line 10 insert the following new subsection (and redesignate the succeeding subsection accordingly):

(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 appropriation), 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).".

Mr. WILLIAMS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. WILLIAMS. Mr. Chairman, at the start of my 5 minutes I would be pleased to yield to the gentleman from Pennsylvania [Mr. GOODLING].

Mr. GOODLING. I thank the gentleman for yielding.

Mr. Chairman, we agree with the amendment of the gentleman from Montana.

Mr. REED. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Rhode Island [Mr. REED].

Mr. REED. I thank the gentleman for yielding.

Mr. Chairman, the majority accepts the amendment.

Mr. WILLIAMS. I thank the gentleman,

Mr. Chairman, I do feel impelled, given the climate, to spend 30 seconds describing this amendment.

When the Department of Education estimates the cost of Pell grants, they set the awards. The Congress then appropriates money based upon that. Later, if the Secretary of Education finds that they have inadvertently, perhaps, misinformed Congress, they then have the right to trigger a reduction in the Pell grants amounts. That has caused chaos financially for a good many students and their families in the United States.

Mr. Chairman, what this amendment does is not allow the Department of Education to unilaterally reduce Pell grants, but rather they have to come up to Capitol Hill, notify us of a shortfall, and then it is up to the Committee on Appropriations to fill that shortfall so that we can keep the American students receiving the amounts of money they were told they were going to receive as a maximum Pell grant at the beginning of that school year.

Mr. Chairman, I thank both sides for accepting this amendment. I think it would be very helpful for middle-income and low-income families in America.

The CHAIRMAN. Is there further debate on the amendment?

If not, the question is on the amendment offered by the gentleman from Montana [Mr. WILLIAMS].

The amendment was agreed to.

Mr. SOLARZ. Mr. Chairman, I move to strike the requisite number of words so that I may engage in a brief colloquy with the manager of the bill.

Mr. Chairman, with respect to the Roukema amendment which was recently adopted, as I understand it, the current language of part H—the program integrity section, could create special problems for small schools.

For these schools, percentages of a very small sample could result in State oversight being inadvertently triggered even though a school's program may be of high quality.

Mr. Chairman, could I ask that this matter be reviewed carefully in conference?

Mr. REED. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Rhode Island.

Mr. REED. I thank the gentleman for yielding.

Mr. Chairman, I do recognize that there might be special circumstances facing small institutions.

The possibility of State oversight being inadvertently triggered as a result of a small number of students will be reviewed in conference.

AMENDMENT OFFERED BY MRS. ROUKEMA

Mrs. ROUKEMA. Mr. Chairman, I offer an amendment, and it has been printed in the RECORD.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mrs. ROUKEMA: Page 225, line 16, strike "and" and after such line insert the following new paragraph (and redesignate the succeeding paragraph accordingly):

(2) by striking clause (ii) of paragraph (3)(B) and inserting the following:

"(ii) for any succeeding fiscal year—

"(I) 30 percent if a majority of the undergraduate programs of study offered by such institution lead to an associate or baccalaureate degree; or

"(II) 25 percent,"; and

Mrs. ROUKEMA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mrs. ROUKEMA. Mr. Chairman, under the Budget Act of 1990, schools

with a cohort default rate of 35 percent or greater for 3 consecutive years lose GSL [guaranteed student loan] eligibility. OBRA 1990 further provides that the cohort default rate will be reduced from 35 to 30 percent in fiscal year 1993. This amendment would reduce this cohort default rate to 25 percent unless the majority of a school's courses of study lead to associate or baccalaureate degrees.

The action should be incentives for schools to improve their recruitment and programs.

This is a bipartisan amendment, supported by Mr. GORDON and Ms. WATERS.

The Senate-passed bill imposes a 25-percent cohort default rate without any protection for degree-granting institutions.

The Congressional Budget Office reports that this amendment would save money beginning in 1994 and beyond. With student loan defaults at $3.6 billion, we need to take swift action to eliminate from eligibility those schools that are abusing these loan programs.

The administration supports it.

This is not punitive to students. It protects them.

If enacted, this amendment would not deny eligibility for student loans to students. This amendment would preclude bad schools from taking advantage of Federal taxpayer dollars at the expense of deserving students. Under this amendment, students who qualify for such aid will be encouraged to seek an education at a good school.

Those who oppose this amendment may argue that it goes too far. How can we go too far to protect taxpayer dollars and students' own money?

I say we cannot go far enough nor move swiftly enough when we have $3.6 billion in defaults annually and growing.

Again, there are fly-by-nighters and scam school operators ripping off the students, ripping off the taxpayers, robbing from worthy students who will respect their educations, pay back the loans, and get this money back into the pool of GSL money. The good schools have nothing to fear. They should applaud our reforms.

AMENDMENT OFFERED BY MR. GOODLING TO THE AMENDMENT OFFERED BY MRS. ROUKEMA

Mr. GOODLING. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. GOODLING to the amendment offered by Mrs. ROUKEMA: In lieu of the matter proposed to be inserted by the amendment of the gentlewoman from New Jersey, insert the following:

(2) in paragraph (3)(B)(ii), by striking "30 percent" and inserting "25 percent"; and

Mr. GOODLING. Mr. Chairman, as was done on the previous amendment, we are leveling the playing field and making sure what is good for the goose is good for the gander.

Mrs. ROUKEMA. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think the amendment of the gentleman from Pennsylvania [Mr. GOODLING] is well devised; I accept it. It should be consistent in this bill; if we treat them one way with respect to Pell grants, we should have the same standard for GSL.

Mr. FORD of Michigan. Mr. Chairman, I understood the gentlewoman asked unanimous consent to incorporate the Goodling amendment into her amendment? Did she not?

Mrs. ROUKEMA. Yes.

The CHAIRMAN. The Chair will put the question on the amendment of the gentleman from Pennsylvania.

Mr. FORD of Michigan. Well, if she asks unanimous consent, we are prepared to give it to her.

The CHAIRMAN. The Chair will still put the question.

Mrs. ROUKEMA. Whatever procedure is best. I would ask unanimous consent, Mr. Chairman.

Mr. FORD of Michigan. With the understanding the Goodling amendment is adopted by unanimous consent, we have no objection to the gentlewoman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. GOODLING] to the amendment offered by the gentlewoman from New Jersey [Mrs. ROUKEMA].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New Jersey [Mrs. ROUKEMA], as amended.

The amendment, as amended, was agreed to.

The CHAIRMAN. Are there other amendments to title IV?

AMENDMENT OFFERED BY MR. PETRI

Mr. PETRI. Mr. Chairman, I offer an amendment, which was filed under the rule.

□ 1740

The Clerk read as follows:

Amendment offered by Mr. PETRI: Page 190, after line 11, insert the following new subsection:

(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 funding 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 funding 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".

Page 184, strike line 24 and all that follows through line 12 on page 185 and redesignate the succeeding subsections accordingly.

Mr. PETRI (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. PETRI. Mr. Chairman, this amendment encourages the Secretary of Education to develop a set of terms and conditions for the income contingent repayment of guaranteed student loans which have gone into default, and, if feasible, to arrange for such collection. This collection would, of course, be pursuant to an agreement by the borrower in the original promissory note for the defaulted loan.

Borrowers who have gone into default clearly have the greatest need for income contingent repayment. Presumably, default occurs at a district point in time when the borrower is facing a low income. However, the current system is too rigid to allow a borrower in default to easily come back into repayment when his situation later improves, as it usually does. This amendment simply allows the borrower to

affordably meet his obligation when he has the means to do so.

The provisions of this amendment will only go into effect if the Secretary of Education determines that the repayment option and collection mechanism will result in an increase in the net amount the Government will collect. Income contingent repayment should easily meet this requirement. Current procedures for debt collection on defaulted loans require the Government to share any proceeds with third party collectors. This amendment will give the Federal Government a more efficient way to recoup these funds while ensuring that collection is made in a way which is sensitive to the defaulted borrowers' financial situation.

This amendment has the support of the American Council of Education, its major constituent organizations, and the administration.

Let me say again, that this amendment requires certification that the collection mechanism will be effective. The amendment avoids any mention of the IRS or taxes, though clearly IRS collection of these loans as income taxes is contemplated. The amendment simply states that the Secretary of Education may reach agreements with other agencies of the Federal Government to help implement the program. There is no intent here to intrude on the jurisdiction of the Ways and Means Committee. That is neither desirable nor possible. Ways and Means will have to agree to the provisions since they could easily insert an amendment in a future tax bill prohibiting IRS involvement. Therefore, the practical effect of this amendment is to let Members express the sense of the House on this issue and I believe consideration of the Higher Education Act is an appropriate occasion to do that. I urge your support for this amendment.

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. PETRI. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Chairman, we have had several discussions with the gentleman from Wisconsin [Mr. PETRI] about the amendment. We have examined his amendment, and the majority has no objections to it.

Mr. PETRI. Mr. Chairman, I thank the gentleman from Michigan [Mr. FORD].

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. PETRI. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Chairman, we are happy to accept the amendment.

Mr. GEJDENSON. Mr. Chairman, one of the greatest problems with our current financial aid program is that students lucky enough to get a student loan have tremendous difficulty repaying it. The huge debt burdens these borrowers face is often unbearable and the major reason our default rate continues to skyrocket.

In an attempt to offer students an alternative to these often unworkable loan repayment schedules, I am offering another amendment with my colleague from Wisconsin, Congressman THOMAS PETRI. This amendment allows the Department of Education to purchase existing loans that run the highest risk of going into default. Once the Education Department has the loan, it can offer the borrower an income-contingent repayment option that may be administered through the IRS.

This amendment has two significant advantages. First of all, it gives the Education Department a reliable method of collecting loans that are in danger of default. Since loan payments would be considered personal income taxes and collected as such, defaults would be greatly reduced.

Additionally, it gives borrowers strapped with huge debt burdens a more manageable repayment schedule. Loan payments will be based on a person's ability to pay and be capped at a reasonable percentage of income. Also, those borrowers making below the IRS filing threshold would not be required to make loan payments until their income goes up.

The administration has already pledged its support for this type of repayment plan. I hope my colleagues on both sides of the isle will support efforts to curb costly defaults and offer borrowers manageable loan repayment schedules by voting for this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. PETRI].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. PETRI

Mr. PETRI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PETRI: Page 231, after line 3 insert the following new section (and conform the table of contents accordingly):

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);

"(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.".

Mr. PETRI (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. PETRI. Mr. Chairman, this amendment would authorize the Secretary of Education to purchase the loans of borrowers likely to go into default and offer those borrowers income contingent or extended or graduated repayment so they can avoid default and repay their obligations as they can afford them.

Borrowers with a high ratio of repayment obligation to income have a high risk of default. Their current income cannot support high fixed loan payments. These are the individuals who most need income contingent repayment and many would find it attractive to avoid the adverse consequences of default. This amendment simply provides them the opportunity to fulfill their obligations with more affordable payments. It provides a solution mutually advantageous to the student and to the Government.

The provisions of this amendment will go into effect only if the Secretary of Education determines that the repayment option and collection mechanism will result in an increase in the net amount the Government will collect. Income contingent repayment should easily meet this requirement. Once borrowers actually go into default, it's extremely hard to collect very much from them. Moreover, current procedures for debt collection on

defaulted loans require the Government to share any proceeds with third party collectors.

But most defaults occur when individuals have temporarily low incomes. Rather than forcing a default when their income is low, income contingent repayment allows borrowers to pay what they can currently afford and to complete their obligations if their incomes later rise, as most will. Therefore, through income contingent repayment, borrowers avoid default and the Government gets higher collections. It's a win for students and a win for the taxpayers.

This amendment has the support of the American Council of Education, its major constituent organizations, and the administration.

Let me repeat that this amendment requires certification that the collection mechanism will be effective. The amendment avoids any mention of the IRS or taxes, though clearly IRS collection of these loans as income taxes is contemplated. The amendment simply states that the Secretary of Education may reach agreements with other agencies of the Federal Government to help implement the program. There is no intent here to intrude on the jurisdiction of the Ways and Means Committee. That is neither desirable nor possible. Ways and Means will have to agree to the provisions since they could easily insert an amendment in a future tax bill prohibiting IRS involvement. Therefore, the practical effect of this amendment is to let Members express the sense of the House on this issue and I believe consideration of the Higher Education Act is an appropriate occasion to do that. I urge all my colleagues to support this amendment.

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. PETRI. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Chairman, we have examined it. It is an expected concomitant of the previously adopted amendment. The majority has no objection to the gentleman's amendment.

Mr. GEJDENSON. Mr. Chairman, the Federal Government paid $3.6 billion last year to cover the costs of student loan defaults. That figure is nearly half of the total obligations for the Guaranteed Student Loan [GSL] Program. Since the default rate has risen steadily since 1984, such a large amount in defaults should not really surprise anyone. Yet these spiralling defaults must stop.

For this reason, I am offering an amendment with my colleague, Congressman THOMAS PETRI of Wisconsin, that makes a real change in the collection end of the GSL Program. This amendment is another way to control of skyrocketing default rate our Government has been saddled with for the past 10 years. It allows the Education Department to develop an income-contingent repayment program for those borrowers who default on their student loans. This program would only affect new loans taken out after the enactment of this amendment.

This amendment encourages the Education Department to use a more reliable method of collecting defaulted loans. Since the Department of Education could now contract with a Government agency like the IRS, loan payments could be considered personal income taxes and collected as such. This new type of collection method would greatly reduce defaults.

Additionally, it gives borrowers strapped with huge debt burdens a more manageable repayment schedule. Loan payments will be based on a person's ability to pay and be capped at a reasonable percentage of income. Also, those borrowers making below the IRS filing threshold would not be required to make loan payments until their income goes up.

The American Council on Education have already pledged their support for this type of repayment plan. I urge my colleagues on both sides of the aisle to support efforts to curb student loan defaults by voting for this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. PETRI].

The amendment was agreed to.

Mrs. LOWEY of New York. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to express my appreciation for the many provisions in H.R. 3553 that revise student aid programs to better serve the needs of adult and part-time students.

One particular provision I applaud is the expanded definition in section 472 of dependent care costs used to determine a student's cost of education, and thus their financial need.

The new definition recognizes as a legitimate cost of education those dependent care expenses necessary not only for the actual class time a student has, but also for all study time, field work, internships, and commuting time.

This important change will be of immense benefit to the increasing number of older students, particularly single parents, who must pay for child care for their own children in order to obtain a college education.

However, Mr. Chairman, I am disturbed by the fact that while we expand the coverage for dependent care costs in determining a student's eligibility for Stafford loans and campus-based programs, there is absolutely no child care cost allowance included in determining the amount of a student's Pell grant.

This bill sets a fixed living allowance of $2,750 for all students for Pell grants, and therefore does not factor in at all the increased costs some students have for dependent care, and some students have for disability-related expenses.

I note that the bill approved by the other body includes a $3,000 allowance in the Pell Grant Program for those students facing these extra expenses.

I would like to inquire of my distinguished chairman as to whether you could provide us with an assurance that you will help us to respond to this situation by working to have a similar allowance for dependent care and disability-related costs included as part of the final conference version of the higher education authorization.

Mr. FORD of Michigan. Mr. Chairman, will the gentlewoman yield?

Mrs. LOWEY of New York. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Chairman, I share the gentlewoman's concern with assuring that single parents and other students who must pay for dependent care have those costs reasonably covered by the Title IV Student Aid Programs. I want to give my full assurance that as chairman, I will attempt to rectify this situation in the conference with the Senate.

Mrs. LOWEY of New York. Mr. Chairman, I thank the gentleman from Michigan [Mr. FORD], and I look forward to working with him on this item.

AMENDMENT OFFERED BY MRS. ROUKEMA

Mrs. ROUKEMA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. ROUKEMA:

—Page 165, strike line 18 and all that follows through line 4 on page 167 and insert the following:

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

"(I) $3,500, if such student is enrolled in a program whose length is one academic year in length (as provided for in section 481(d));

"(II) $2,334, if student is enrolled in a program whose length is at least ⅔ of an academic year; and

"(III) $1,167, 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));

"(iii) 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 third year of a program of undergraduate education—

"(I) $4,750, if such student is enrolled in a program whose length is one academic year in length (as provided for in section 481(d));

"(II) $3,166, if student is enrolled in a program whose length is at least ⅔ of an academic year; and

"(III) $1,583, 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));

"(iv) in the case of a student at an eligible institution who has successfully completed such third year, but has not successfully

completed the remainder of a program of undergraduate education—

"(I) $5,000, if such student is enrolled in a program whose length is one academic year in length (as provided for in section 481(d));

"(II) $3,334, if student is enrolled in a program whose length is at least ⅔ of an academic year; and

"(III) $1,677, 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));

"(iv) in the case of a graduate or professional student (as defined in regulations of the Secretary) at an eligible institution, $9,000;".

—Page 167, strike line 9 and all that follows through line 18 on page 168 and insert the following:

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

"(I) $3,500, if such student is enrolled in a program whose length is one academic year in length (as provided for in section 481(d));

"(II) $2,334, if student is enrolled in a program whose length is at least ⅔ of an academic year; and

"(III) $1,167, 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));

"(iii) 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 third year of a program of undergraduate education—

"(I) $4,750, if such student is enrolled in a program whose length is one academic year in length (as provided for in section 481(d));

"(II) $3,166, if student is enrolled in a program whose length is at least ⅔ of an academic year; and

"(III) $1,583, 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));

"(iv) in the case of a student at an eligible institution who has successfully completed such third year, but has not successfully completed the remainder of a program of undergraduate education—

"(I) $5,000, if such student is enrolled in a program whose length is one academic year in length (as provided for in section 481(d));

"(II) $3,334, if student is enrolled in a program whose length is at least ⅔ of an academic year; and

"(III) $1,677, 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(d));

"(iv) in the case of a graduate or professional student (as defined in regulations of the Secretary) at an eligible institution, $9,000.".

Page 168, after line 18, insert the following new paragraph:

(3) ADDITIONAL CONFORMING AMENDMENTS.—(A) Section 425(a)(2) of the Act is amended—

(i) by striking "$17,250" in clause (i) and inserting "$21,125"; and

(ii) by striking "$54,650" in clause (ii) and inserting "$71,125".

(B) Section 428(b)(1)(B) of the Act is amended—

(i) by striking "$17,250" in clause (i) and inserting "$21,125"; and

(ii) by striking "$54,750" in clause (ii) and inserting "$71,125".

Page 198, line 9, strike "UNSUBSIDIZED LOANS;"

Page 198, line 12, strike "sections" and insert "section".

Page 198 strike line 13 and all that follows through line 8 on page 202.

Page 202, line 10, redesignate section 428H as section 426G.

Mrs. ROUKEMA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

POINT OF ORDER

Mr. FORD of Michigan. Mr. Chairman, I have a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. FORD of Michigan. Mr. Chairman, under section 303(a) of the Congressional Budget Act, it is not in order to consider any measure which creates entitlement authority or direct spending authority first effective in a fiscal year prior to the adoption of the budget resolution for that fiscal year.

The instant amendment offered by Mrs. ROUKEMA creates new spending authority first effective in fiscal year 1993 by increasing loan limits under the Federal Stafford Loan Program, thereby expanding the size of this guaranteed loan entitlement program.

Since Congress has yet to agree to the conference report on the concurrent resolution on the budget for fiscal year 1993, the amendment is not in order.

Further, under section 402(a) of the Congressional Budget Act, it is not in order to consider any measure which creates credit authority which is not subject to prior appropriation.

The instant amendment expands the size of the guaranteed student loan program, and consequently creates additional authority to incur primary loan guarantee commitments.

Since the amendment does not make this credit authority specifically subject to appropriations, it violates section 402(a) of the Budget Act.

Mr. Chairman, I insist on my point of order.

The CHAIRMAN. Does the gentlewoman from New Jersey [Mrs. ROUKEMA] wish to be heard on the point of order?

Mrs. ROUKEMA. Mr. Chairman, it was my understanding that we had taken care of the problem with the budget resolution in complying with the pay-go requirements. I have complied with the pay-go requirements by taking the moneys from the so-called unsubsidized program that is a newly created program in this bill. I understand that the chairman is making a different point of order here, and I am not quite sure how it complies because it is my understanding that the bill in the other body does have this exact same provision in that that I am advancing here; that is, to increase the loan limits. So, I am really not sure how the interpretation was made differently in the one House than in the other.

Mr. FORD of Michigan. Mr. Chairman, I will give the gentlewoman from New Jersey [Mrs. ROUKEMA] the short answer, that Senator KENNEDY did not have a mean guy like me on the floor to make the point of order, so he got away with it. I am making the point of order under the rules of this body.

The CHAIRMAN. Does the gentlewoman from New Jersey [Mrs. ROUKEMA] wish to be heard further on the point of order?

PARLIAMENTARY INQUIRY

Mrs. ROUKEMA. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentlewoman will state it.

Mrs. ROUKEMA. Mr. Chairman, I would like some time under unanimous consent to explain the purpose of this amendment regardless of the way the decision is made on the point of order.

The CHAIRMAN (Mr. PEASE). Following the Chair's ruling on the point of order, the gentlewoman from New Jersey [Mrs. ROUKEMA] may move to strike the last word, if she wishes.

Does anyone else wish to be heard on the point of order of the gentleman from Michigan [Mr. FORD]? If not, the Chair is prepared to rule.

For the reasons stated by the gentleman from Michigan [Mr. FORD] the Chair must sustain the point of order. The amendment by the gentlewoman from New Jersey does increase loan limits, thus increasing an entitlement prior to enactment of the budget resolution, and, therefore, the point of order is sustained.

□ 1750

Mrs. ROUKEMA. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I make the point to my colleagues that this is a very difficult thing to understand, I mean why there is this grave omission from the bill. The administration supports it. Every prominent and even not so prominent education group in the country supports it. They all support it because of the fact that we are approving a program here where we are creating new programs for other people, but despite the fact that tuition increases have risen anywhere from 85 percent in public institutions to 107 percent in private colleges during the period that

this legislation has been in effect, for the next 5 years we are not anticipating any loan increases for students or for student loans.

It is a cruel hoax to tell these young people they can qualify and then not have any increases in those loans that will help them with their cash-flow problems as they face enormous tuition bills.

Mr. Chairman, I would like to point out that this will be conferenceable since the other body in its wisdom has seen fit to accommodate to the real world of tuition hikes.

Mr. Chairman, I am pleased to offer, on behalf of myself and Ms. WATERS of California, an amendment to increase Stafford loan limits for students who have successfully completed their first year of study.

Mr. Speaker, Stafford loan limits have not been increased since 1987. Without this amendment, loan limits under the bill before us—H.R. 3553–H.R. 4471—would remain unchanged through 1997. Yet, over the last decade college costs have increased dramatically. The cost of attendance at 4-year public institutions has increased by 85 percent and the cost of attendance at our Nation's private colleges has increased by more than 107 percent.

This amendment is supported by the Bush administration and the following education organizations: American Council on Education [ACE], National Association of Independent Colleges and Universities [NAICU], National Education Association [NEA], American Association of Medical Colleges [AAMC], American Association of Dentistry Schools [AADS], and American Association of Colleges of Pharmacy [AACP].

Mr. Chairman, the Education and Labor Committee reported bill recognized the need to increase loan limits. Indeed, the committee-approved bill would have doubled the loan limits for undergraduate students and increased from $7,500 to $13,000 the loan limits for graduate students. The Senate has also called for increases in Stafford loan limits. Yet, the bill before us does not increase loan limits. There is no rational explanation for this egregious, insensitive omission.

The Congressional Budget Office [CBO] reports that the bill will increase by 350,000 the number of middle-income students eligible for Stafford loans through necessary and appropriate changes in the needs analysis. But this is a cruel hoax to make them eligible but give no help in meeting rising costs. This amendment will ensure that these deserving middle-income students—who can demonstrate financial need—can afford the cost of a higher education.

Specifically, this amendment increases Stafford loan limits from $2,625 to $3,500 for 2-year students; from $4,000 to $4,750 for 3-year students; from $4,000 to $5,000 for 4-year students; and from $7,500 to $9,000 for graduate students. This amendment offsets the increased loan limits by striking the bill's new, so-called unsubsidized program for students who do not demonstrate financial need. CBO estimates that this new program—the brainchild of State guaranty agencies—would cost approximately $650 million over the life of the bill. It is duplicative of the existing PLUS—parental loans—and SLS—supplemental loans for independent students—that are not subject to needs testing.

In fact, the bill greatly expands the borrowing capacity of families who cannot demonstrate financial need under the PLUS program. Creditworthy parents—regardless of income—could borrow up to the cost of attendance less other financial aid. "Unsubsidized" is a misnomer. It costs $650 in interest subsidy. Also, the current interest cap on PLUS is reduced from 12 to 10 percent. Thus, students from wealthy families—who are not deemed eligible for Stafford loans—can access the full amount necessary to attend college under this expanded PLUS program. In fact, we open a potential loophole for loans for high-income people. Nor is it pegged to Treasury bond rate.

Mr. Chairman, I strongly urge my colleagues to join me in supporting this vital amendment to increase loan limits for our Nation's deserving students.

AMENDMENT OFFERED BY MR. COLEMAN OF MISSOURI

Mr. COLEMAN of Missouri. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr.. COLEMAN:

At each of the following locations, strike out "Presidential" and insert "Congressional": page 132, lines 18, 21, and 22; page 133, lines 2, 5, and 7; page 134, line 11; page 135, line 1; page 136, lines 8 and 20; page 137, line 5.

At each of the following locations, strike out "Congressional" and insert "Presidential": page 146, line 6; page 147, lines 14 and 16; and page 149, lines 5, 7, 13, and 17.

Conform the table of contents accordingly.

Mr. COLEMAN of Missouri (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN. The Chair will inquire whether this amendment is printed in the RECORD.

Mr. COLEMAN of Missouri. Yes, it is, Mr. Chairman.

The CHAIRMAN. The gentleman from Missouri [Mr. COLEMAN] is recognized for 5 minutes in support of his amendment.

Mr. COLEMAN of Missouri. Mr. Chairman, this amendment simply switches the names of two programs that got switched around in committee and provides for a high academic achievement award of $500 to those Pell grant recipients who are in the highest 10 percent of their class in high school.

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. COLEMAN of Missouri. I yield to the chairman of the committee.

Mr. FORD of Michigan. Mr. Chairman, since I would rather switch than fight, the majority accepts the amendment offered by the gentleman from Missouri.

Mr. COLEMAN of Missouri. Mr. Chairman, I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. COLEMAN].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. PETRI

Mr. PETRI. Mr. Chairman, I offer an amendment which was printed in the RECORD and which amends the bill at page 63.

The Clerk read as follows:

Amendment offered by Mr. PETRI:

Page 63, strike lines 12 through 14 and insert the following:

amended—

(A) by inserting after "full-time basis" in the first sentence the following: "(including a student who attends an institution of higher education on less than a half-time basis)"; and

(B) by inserting before the period at the end of such sentence the following: ", computed in accordance with this subpart".

Page 86, beginning on line 16, strike "and inserting the" and all that follows through line 20 and insert a period.

Page 165, after line 3 insert the following new section (and conform the table of contents accordingly):

LESS THAN HALF-TIME ATTENDANCE

SEC. 426A. (a) FISL PROGRAM.—Section 427 of the Act is amended—

(I) in subsection (a)—

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

"(1) made to a student who (A) is an eligible student under section 484, and (B) has agreed to notify promptly the holder of the loan concerning any change of address; and"; and

(B) in paragraph (2)(B)(i), by striking out the semicolon at the end thereof and inserting in lieu thereof "and subsection (d)"; and

(2) by adding at the end thereof the following new subsection:

"(d) SPECIAL RULE FOR LESS THAN HALF-TIME STUDENTS.—A borrower who is attending an eligible institution on a less than half-time basis (as determined by the institution)—

"(1) shall be required—

"(A) without regard to the borrower's less than half-time attendance, to repay any loans received while attending an eligible institution on at least a half-time basis; and

"(B) to commence repayment of any loans received under this part while attending on a less than half-time basis immediately upon ceasing such attendance; and

"(2) may receive deferments under subsection (a)(2)(C)(ii) for loans received while attending on a less than half-time basis.".

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

(1) in the matter preceding clause (i) of paragraph (1)(A), by striking "who is carrying at an eligible institution at least one-half the normal full-time academic workload (as determined by the institution)" and inserting "who is enrolled at an eligible institution";

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

"(7) SPECIAL RULE FOR LESS THAN HALF-TIME STUDENTS.—A borrower who is attending an eligible institution on a less than half-time basis (as determined by the institution) shall be required—

"(A) without regard to the borrower's less than half-time attendance, to repay any loans received while attending an eligible institution on at least a half-time basis; and

"(B) to commence repayment of any loans received under this part while attending on a less than half-time basis immediately upon ceasing such attendance; and".

Page 233, after line 7 insert the following new subsection (and redesignate the succeeding subsections accordingly):

(a) LIFETIME LINE OF CREDIT; INCOME CONTINGENT LOAN REPAYMENT PROGRAMS.—Section 439 of the Act is amended—

(1) in subsection (a)—

(A) by redesignating paragraphs (2) and (3) as paragraphs (4) and (5), respectively; and

(B) by inserting immediately after paragraph (1) the following: "(2) through such corporation, to enable working men and women desiring to upgrade their job skills, and unemployed individuals, or those not in the labor force, who are seeking new skills, to borrow funds for less than half-time study as described in subsection (r); (3) to provide for agreements between such corporation and a limited number of institutions for the replacement of such institutions' current participation in the loan program under section 428A with loans originated by such corporation that shall be repaid on an income contingent basis in accordance with subsection (s);";

(2) in subsection (d)(1)—

(A) in subparagraph (D), by striking out "and" at the end thereof;

(B) by redesignating subparagraph (E) as subparagraph (F); and

(C) by inserting immediately after subparagraph (D) the following:

"(E) to issue obligations to carry out the purposes of subsections (r) and (s), in the amounts specified therein; and"; and

(3) by adding at the end thereof the following new subsections:

"'(r) LIFETIME LINE OF CREDIT.—(1) PURPOSE.—In order to enhance the lifetime education and training opportunities available to working men and women desiring to upgrade their job skills, or unemployed individuals, or those not in the labor force who are seeking new skills, it is the purpose of this subsection to require the Association to originate loans for such individuals who are enrolled at an eligible institution on a less than half-time basis, under the terms and conditions described in this subsection. The Association shall issue obligations in an amount sufficient to carry out the purposes of this subsection and subsection (s), but in no case to exceed $100,000,000 for fiscal year 1993 and each of the four succeeding fiscal years.

"(2) APPLICABILITY OF GSL LOAN LIMITS.—A student who is enrolled at an eligible institution on a less than half-time basis may borrow up to $25,000 in the aggregate under this section, which shall be counted toward his or her aggregate loan limits under sections 427, 428, and 428A. In no case may a loan made under this subsection for a period of enrollment exceed the student's cost of attendance for such period of enrollment.

"(3) REPAYMENT.—(A) The Secretary shall enter into an agreement with the Association specifying the terms of loans originated under this subsection, which shall include the availability of such loans to all students eligible under this subsection (subject to the availability of funds from the issuance of the obligations described in paragraph (1)), and the establishment of income-contingent repayment schedules satisfactory to the Secretary and the Association for such loans. Such agreements shall also specify the maximum interest rate that the Association may charge, and such other terms as the Secretary may require to accomplish the purposes of this subsection.

"(B) The Secretary shall establish in regulations the procedures necessary for the efficient collection of loans made under this subsection. Notwithstanding any other provision of law, the Secretary may enter into such arrangements with another Federal agency or agencies as the Secretary determines are necessary to support the efficient administration of the program by the Association.

"(4) ELIGIBLE PROVIDERS OF TRAINING.—The Secretary, in consultation with the Secretary of Labor, may specify in regulations such other providers of training that are not currently eligible to participate in programs under this part, such as community-based organizations, public or private agencies, and private sector employers, that, along with other institutions, may be considered eligible for participation for purposes of loans made under this subsection, provided that the Secretary determines that adequate controls on program integrity and accountability can be maintained, and that participation would supplement, and not supplant, current expenditures for training by such providers.

"(5) OTHER TERMS AND CONDITIONS.—The Secretary shall establish in regulations such other terms and conditions for loans under this subsection as are consistent with the purposes of this subsection.

"(6) FEASIBILITY STUDY.—(A) Notwithstanding any other provision of law, the Secretary, in consultation with the Secretary of Labor, shall examine the feasibility of integrating the multiple data systems relating to the benefits available to students under Federal postsecondary education and training programs through the use of an electronic card by borrowers of loans made under this section, and by other participants in such Federal programs.

"(B) The Secretary of Education shall report his findings to Congress within one year of the date of enactment of this Act.

"(C) There are authorized to be appropriated $1,000,000 to carry out the study authorized by this paragraph.

"(s) INCOME CONTINGENT LOANS.—(1) From funds available from the issuance of the obligations described in subsection (r)(1), the Association shall enter into agreements with no more than 50 eligible institutions to replace all or part of such institution's participation in the loan program under section 428A with a program of income-contingent loans originated by the Association. Such agreements shall be subject to the approval of the Secretary.

"(2) The Secretary shall prescribe in regulations such minimum or model terms for such agreements, loan terms and conditions, and collection procedures as the Secretary determines are necessary to carry out the purposes of this subsection.

"(3) Notwithstanding any other provision of law, the Secretary may enter into such arrangements with another Federal agency or agencies as the Secretary determines are necessary to support the efficient administration of the program by the Association.

"(4) Notwithstanding paragraph (1), when the program authorized under this subsection has been in operation for at least 2 years, the Secretary and the Association may agree to expand the number of schools participating under this subsection, or the volume of loans made under this subsection, or both, if, in the judgment of both the Secretary and the Association, the success of such program warrants such expansion.".

Page 341, strike out lines 1–16, and insert in lieu thereof the following:

"(d) INDEPENDENT STUDENT.—(1) The term "independent," when used with respect to a student, means any individual who—

"'(A) is 26 years of age or older by December 31 of the award year; or

"'(B) meets the requirements of paragraph (2).

"'(2) Except as provided in paragraph (3), an individual meets the requirements of this paragraph if such individual—

"'(A) is an orphan or ward of the court;

"'(B) is a veteran of the Armed Forces of the United States;

"'(C) is a graduate or professional student;

"'(D) is a married individual;

"'(E) has legal dependents other than a spouse;

"'(F) is a single undergraduate student with no dependents who—

"(i) did not live with his or her parents for more than six weeks in the aggregate during the calendar year preceding the award year;

"(ii) will not live with his or her parents for more than six weeks in the aggregate during the first calendar year of the award year; and

"(iii) prior to the disbursal of assistance under this title, demonstrates to the student financial aid administrator self-sufficiency during each of the two calendar years preceding the award year by demonstrating annual total income (excluding resources from parents, students financial assistance, and living allowances from programs established under the National and Community Service Act of 1990) that is equal to or exceeds the amount specified in the Department of Labor's Lower Living Standard Income Level, adjusted for a family size of one; or

"'(G) is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances.

"'(3) An individual who meets the requirements of paragraphs (1) and (2) may, in unusual circumstances, be determined to be a dependent student by a student financial aid administrator, provided that such determination is documented.'.".

Page 356, strike out line 13 and insert in lieu thereof "'paragraphs:'".

Page 356, line 16, strike out close quotation mark and the following period and after line 16 insert the following new paragraph:

"(6) Notwithstanding subsection (a), in order to be eligible to receive a loan under part B of this title (other than a loan under section 428C), a student who is enrolled at an institution on a less than half-time basis (as determined by the institution) shall be—

"(A) enrolled in a program of study leading to a degree or certificate; or

"(B) enrolled in training designed to prepare students for gainful employment in a recognized occupation.".

Mr. PETRI (during the reading). Mr. Chairman, I ask unanimous consent

that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. FORD of Michigan. Mr. Chairman, briefly I rise to a point of order against the gentleman's amendment.

The CHAIRMAN. The gentleman from Michigan [Mr. FORD] raises a point of order against the amendment. Does the gentleman wish to proceed with his point of order?

Mr. FORD of Michigan. I will not, Mr. Chairman, at the same time repeat all the reasons I gave against the amendment offered by the gentlewoman from New Jersey [Mrs. ROUKEMA]. They all apply with equal force to the Petri amendment.

Mr. PETRI. Mr. Chairman, will the gentleman reserve his point of order so I can make a statement on the bill and then proceed with the point of order?

Mr. FORD of Michigan. Certainly. The gentleman is a valuable member of my committee. I reserve my point of order so the gentleman may speak for a few minutes.

The CHAIRMAN. The gentleman from Michigan [Mr. FORD] reserves a point of order, and the gentleman from Wisconsin [Mr. PETRI] is recognized for 5 minutes in support of his amendment.

Mr. PETRI. Mr. Chairman, this amendment will establish a new student aid program to meet the needs of working Americans.

It will open current student aid programs to less than half-time students.

It will establish a $25,000 line of credit for less than half-time students that is integrated with current programs.

It will base loan repayment on ability to pay so low- and middle-income workers will invest in education and training for themselves.

It will allow the Secretary of Education to extend eligibility to nontraditional providers of education and training programs such as community-based organizations, public or private agencies, and private sector employers.

And, it will encourage innovative uses of technology to simplify the financial aid system for borrowers.

This amendment is specifically designed for working men and women desiring to upgrade their skills, as well as unemployed individuals seeking new skills.

Goal 15 of the national education goals states that:

> Every adult American will be literate and will possess the knowledge and skills necessary to compete in a global economy and exercise the rights and responsibilities of citizenship.

To reach this ambitious goal, we must become a nation of learners. Every adult right now—every worker, every parent, every citizen needs to be a learner if we are to reach our potential as a nation.

However, for most Americans, one of the greatest concerns about going back to school is the cost of higher education.

In fact, a recent pool ranked the 50 greatest worries of Americans. Out of these 50 worries, financing higher education came in as the third greatest worry, right behind crime and drugs.

If our constituents are this concerned about how to pay for higher education, I think we can safely conclude that something is missing in our current financial aid system.

One problem is that the existing programs, as good as they are, are not designed to meet the financial assistance needs of many Americans.

Federal programs target the most needy with grants—and rightly so, and make guaranteed loans available to moderate income borrowers, provided they attend on at least a half-time basis.

My proposal for a lifelong learning line of credit is specifically designed to meet education financing needs that are not being met by existing financial aid programs.

The administration strongly supports this program, and I know that Secretary of Education, Lamar Alexander, believes that this proposal is key to achieving the goal of becoming a nation of learners.

In order to satisfy the budget agreement's pay-go requirements, the amendment raises to 26 the minimum age for automatic designation as an independent student.

I urge my colleagues to join me today in supporting the lifelong learning line of credit amendment.

This program will fill an important gap in our current financial aid system and provide opportunities for lifelong training and education, especially for those middle- and low-income Americans who want to strengthen their career skills and improve their standard of living.

Adopting this amendment today will send a clear message to the country that we in Congress are serious about reaching our national education goals.

Mr. BEREUTER. Mr. Chairman, this Member rises today to express my strong support for the proposed amendment sponsored by the distinguished gentleman from Wisconsin [Mr. PETRI], a member of the Education and Labor Committee, that would implement a system of income-contingent repayment of student loans in default.

Mr. Chairman, as most of us know, one of the most serious flaws in the student loan program is the high rate of default on the repayment of loans. This amendment would put into place a mechanism that will allow former students who are in default on their student loans to repay those loans in an accountable fashion. Repayment would be based on the income of the borrower.

While the amendment gives discretion to the Secretary of Education regarding the collection agent for these defaulted loans, the distinguished gentleman from Wisconsin [Mr. PETRI] has sponsored legislation that would give loan collection responsibility to the Internal Revenue Service. The Income-Dependent Education Assistance Act [IDEA], as it is commonly known, is an innovative approach to solving the serious problems that exist within the guaranteed student loan program. In fact, this Member is pleased to be a cosponsor of that legislation.

The proposed amendment would allow the Department of Education to install key pieces of the IDEA Program in the student loan system. One of the main advantages of the IDEA Program is that it would virtually eliminate student loan defaults. This amendment would provide the opportunity for the Department to test the effectiveness of this creative proposal in the collection of defaulted loans. While there are a wide variety of reasons for defaults on student loans, a program that allows borrowers to repay their loans according to the amount of income earned is sure to be far more successful. These recaptured dollars could be funneled back into the system to assist other students. Solving the huge student loan default problem would be a major achievement of great benefit to American taxpayers.

In addition, it should be noted that such a program would not be placed in operation unless it is likely to save the Federal Government money in the aggregate.

Mr. Chairman, this Member is very enthusiastic about the amendment and the larger concept of the distinguished gentleman from Wisconsin [Mr. PETRI], on which it is based, to improve the current student loan system.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Michigan [Mr. FORD] insist on his point of order?

Mr. FORD of Michigan. Yes, Mr. Chairman, I do.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. FORD of Michigan. Mr. Chairman, I raise a point of order.

Under section 303(a) of the Congressional Budget Act, it is not in order to consider any measure which creates entitlement authority or direct spending authority first effective in a fiscal year prior to the adoption of the budget resolution for that fiscal year.

The instant amendment offered by Mr. PETRI creates new spending authority first effective in fiscal year 1993 by making eligible for student loan programs under the act students attending institutions of higher education on less than a half-time basis. This expansion of an entitlement program would be first effective in fiscal year 1993.

Since Congress has yet to agree to the conference report on the concurrent resolution on the budget for fiscal year 1993, the amendment is not in order.

Further, under section 402(a) of the Congressional Budget Act, it is not in order to consider any measure which creates credit authority which is not subject to prior appropriation.

The instant amendment expands the size of the guaranteed student loan program, and consequently creates additional authority to incur primary loan guarantee commitments.

Since the amendment does not make this credit authority specifically subject to appropriations, it violates section 402(a) of the Budget Act.

Mr. Chairman, I insist on my point of order.

The CHAIRMAN. Does the gentleman from Wisconsin [Mr. PETRI] wish to be heard on the point of order?

□ 1800

Mr. PETRI. Mr. Chairman, earlier in the consideration of this bill an amendment offered by the gentleman from Wisconsin [Mr. GUNDERSON] was adopted to which this point of order at least in part would have pertained but was not made extending the provisions of the act to less than full-time students. Therefore, this amendment does not affect that since the bill has already been amended in that respect.

The CHAIRMAN (Mr. PEASE). The Chair is prepared to rule.

The Chair rules that, in the first place, this amendment goes beyond the Gunderson amendment which was adopted and against which no point of order was made.

Under the terms of the bill even as amended by the Gunderson amendment, a class of borrowers addressed by the amendment would not be eligible for guaranteed student loan interest rate subsidies. Under the amendment, that class of borrowers would be made so eligible. Because the amendment enlarges the class of borrowers eligible, it thus provides new entitlement authority within the meaning of section 303 of the Budget Act. For all the reasons stated by the gentleman from Michigan, the point of order is sustained.

Are there other amendments to title IV?

AMENDMENT OFFERED BY MS. WATERS

Ms. WATERS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. WATERS:

Page 225, strike line 9 and all that follows through line 5 on page 226 and insert the following (and redesignate the succeeding subsections accordingly):

(a) VOCATIONAL SCHOOLS.—Section 435(c) of the Act is amended—

(1) by striking "and" at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting "; and"; and

(3) by inserting after paragraph (4) the following new paragraph:

"(5) has, as at least 15 percent of its students during any calendar year, students who do not have any part of their tuition, fees, or other charges paid for them by the institution or by any assistance under this title."

Page 345, line 24, strike "and" and on 346, strike lines 1 through 12 and insert the following:

(2) by striking "and" at the end of clause (4);

(3) by striking the period at the end of clause (5) and inserting the following: ", and (6) which has, as at least 15 percent of its students during any calendar year, students who do not have any part of their tuition, fees, or other charges paid for them by the institution or by any assistance under this title.".

Ms. WATERS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from California?

There was no objection.

Mr. FORD of Michigan. Mr. Chairman, I reserve a point of order against the amendment offered by the gentlewoman from California [Ms. WATERS] so that she may explain.

The CHAIRMAN. The gentleman from Michigan [Mr. FORD] reserves a point of order against the amendment. The gentlewoman from California [Ms. WATERS] is recognized for 5 minutes in support of her amendment.

Ms. WATERS. Mr. Chairman, I rise to offer an amendment that would require 15 percent of a school's student body not be subsidized by Federal, State, private or school developed loans, grants or scholarships.

Mr. CHAIRMAN, many proprietary vocational schools have been set up to garner large amounts of Federal student aid dollars. Practically, all of the students receive student loans and grants, and the school offers little or no attraction to people to pay their own funds to attend. In fact, we have instances of proprietary schools refusing to allow people to pay their own money.

After World War II, the Department of Veterans Affairs responded to the rise of schools which were set up to milk the veterans' educational benefits program by establishing a rule which provided that VA would not extend any GI benefits to courses in which more than 85 percent of the students have their fees paid by the VA. A similar rule should apply to proprietary schools. The reauthorization of the Higher Education Act should be amended to provide that an institution is not eligible to participate in the Federal student loan and grant programs if more than 85 percent of the students enrolled in the institution have all or part of their tuition, fees, and other charges paid for them by the institution or by federally insured student loans and grants.

POINT OF ORDER

Mr. FORD of Michigan. Mr. Chairman, unfortunately the point of order is made necessary by an inadvertent effect of the amendment of the gentlewoman from California [Ms. WATERS]. I say "inadvertent" because I am sure the gentlewoman did not intend to get involved with the Caribbean schools.

Mr. Chairman, if the amendment of the gentleman from Pennsylvania [Mr. GOODLING] were adopted by unanimous consent, I would be satisfied to withdraw my point of order.

The CHAIRMAN. The gentleman from Michigan [Mr. FORD] would be required to withdraw his point of order before the modification to the amendment could be offered.

Mr. FORD of Michigan. Mr. Chairman, might I inquire of the gentlewoman from California [Ms. WATERS] if she is aware of the nature of the amendment?

Ms. WATERS. Mr. Chairman, we have been discussing this, and I would accept the amendment.

Mr. FORD of Michigan. Mr. Chairman, I withdraw my point of order based on this assurance.

MODIFICATION OFFERED BY MR. GOODLING TO AMENDMENT OFFERED BY MS. WATERS

Mr. GOODLING. Mr. Chairman, I ask unanimous consent for a modification to the amendment of the gentlewoman from California [Ms. WATERS].

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk will report the amendment as modified.

The Clerk read as follows:

Amendment offered by Ms. WATERS, as modified:

Page 345, line 24, strike "and", and on 346, strike lines 1 through 12 and insert the following:

(2) by striking "and" at the end of clause (4);

(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.".

Mr. GOODLING (during the reading). Mr. Chairman, I ask unanimous consent that the reading of the amendment, as modified, be dispensed with, and that the amendment, as modified, be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. Is there objection to the modification?

There was no objection.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. GOODLING] is recognized for 5 minutes to strike out the last word.

Mr. GOODLING. Mr. Chairman, the modification of the amendment is as follows:

Page 345, line 24, strike "and", and on 346, strike lines 1 through 12 and insert the following:

(2) by striking "and" at the end of clause (4);

(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.".

The CHAIRMAN. The question is on the amendment offered by the gentle-

woman from California [Ms. WATERS], as modified by the gentleman from Pennsylvania [Mr. GOODLING].

The amendment, as modified, was agreed to.

The CHAIRMAN. Are there further amendments to title IV?

AMENDMENT OFFERED BY MS. WATERS

Ms. WATERS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. WATERS:

Page 191, after line 18, insert the following new subsection:

(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.".

Page 224, line 24, strike "and" and insert "or".

Ms. WATERS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from California?

There was no objection.

Ms. WATERS. Mr. Chairman, I rise to offer an amendment that would prohibit the awarding of SLS [supplemental loans for students] loans to individuals enrolled in courses of less than 2 years' length that do not lead to at least associates degree.

Mr. Chairman, the SLS loan program is being abused by proprietary schools for which they were never intended. While I support generous loan programs, especially for low-income students—the fact is that none of these proprietary schools need to be charging tuition rates that would require SLS loans for students.

What we have seen in practice—and has been documented by the inspector general of the Department of Education—is that since SLS loans have made their way into proprietary schools, the tuition have risen to accommodate SLS loan eligibility.

Due to the high debt burden imposed by these loans, many private colleges do not permit their first- or second-year students to take out SLS loans. The interest rate of these loans are not subsidized and interest accrues while the student is in school.

According to a study done by the General Accounting Office [GAO], of the $1.9 billion in SLS money given to first-year students during academic years 1987-89, 88 percent of the total or $1.7 billion went to students in vocational proprietary schools. In fact, vocational students account for 52 percent of all SLS loans.

Over the same 3-year period, proprietary vocational school students accounted for 80 percent of all SLS defaults dollars. The price tag: $248.4 million, with 74 percent of those default dollars in the hands of first-year students.

Further, the latest statistics from the Department of Education indicate that vocational schools received over $1.2 million in SLS loans in fiscal year 1989, and $689 million in fiscal year 1990. For those same years, proprietary vocational schools accounted for 88.2 percent in fiscal year 1989 and 82.2 percent in fiscal year 1990 of the annual SLS loans defaulting which amounted to $263.9 million in fiscal year 1989 and $523 million in fiscal year 1990.

Mr. FORD of Michigan. Mr. Chairman, if the gentlewoman will yield, we have examined the amendment. The gentleman from Missouri [Mr. COLEMAN] and I discussed this last evening, and we are prepared to accept it at this time.

Mr. GOODLING. Mr. Chairman, if the gentlewoman will yield, we accept the amendment on this side.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from California [Ms. WATERS].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. COLEMAN OF MISSOURI

Mr. COLEMAN of Missouri. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLEMAN of Missouri: Page 177, after line 12, insert the following new subsection (and redesignate the succeeding subsections accordingly):

(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);".

At each of the following locations, strike our "Presidential" and insert "Congressional"; page 132, line 18, 21, and 22; page 133, lines 2, 5, and 7; page 134, line 11; page 135, line 1; page 136, lines 8 and 20; page 137, line 5.

At each of the following locations, strike out "Congressional" and insert "Presidential": page 146, lines 6; page 114, lines 14 and 16; and page 149, lines 5, 7, 13, and 17.

Conform the table of contents accordingly.

Mr. COLEMAN of Missouri (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COLEMAN of Missouri. Mr. Chairman, this amendment would prohibit guarantee agencies from paying lenders endorsements to secure designation of that guarantee agency for purposes of ensuring the loan. It is being done in some instances, and it is at the detriment of the state guarantee agencies.

Mr. Chairman, I believe the gentleman from Michigan [Mr. FORD] will accept this amendment.

Mr. FORD of Michigan. Mr. Chairman, if the gentleman will yield, I have gone over the amendment with the gentleman and the majority has no objection. We accept this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. COLEMAN].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title IV?

AMENDMENT OFFERED BY MS. WATERS

Ms. WATERS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. WATERS: Page 350, line 9, strike "(other than subsection (b)(5))".

Page 351, line 19, strike the close quotation marks and following period and after such line insert the following new subsection:

"(j) TWO-YEAR RULE.—Notwithstanding any other provision of this title, for the purpose of subsection (b)(5), an institution shall be deemed not to have been in existence for 2 years if, within the preceding 2-year period, the institution has had a change of ownership or control, has substantially changed the program of instruction offered (including the curriculum, program length, and amount of tuition and other charges), or has increased the number of students enrolled by more than 100 students or 10 percent of the prior years enrollment (whichever is greater).".

Ms. WATERS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from California?

There was no objection.

MODIFICATION OF AMENDMENT OFFERED BY MS. WATERS

Ms. WATERS. Mr. Chairman, I ask unanimous consent to modify the amendment and offer the amendment that I have at the desk in its revised form.

The CHAIRMAN. The Clerk will report the modification.

The Clerk read the modification, as follows:

Modification to amendment offered by Ms. WATERS: Page 1, Line 5, insert "or" after "control,".

Page 1, Line 8, strike everything after "charges)" and insert a period.

The CHAIRMAN. Is there objection to the request of the gentlewoman from California?

There was no objection.

Ms. WATERS. Mr. Chairman, I rise to offer an amendment which has been developed in cooperation with the administration. This amendment would require that if the school changes own-

ership, the school would be ineligible for Federal financial assistance for 2 years after the change. Current law requires that an institution operate for 2 years before it is eligible to participate in the Federal student aid programs.

The objective of the law is to permit only established institutions to obtain Federal student loan and grant money. However, current law is seriously deficient. A school can be sold to a new owner, who may radically transform the school in terms of enrollment, tuition charges, course offerings, curriculum, financial operations, and business practices. Nevertheless, the school continues its formal eligibility to participate in the loan and grant programs.

□ 1810

The current bill only applies to the 2-year rule to branches but not to changes of ownership.

Further, any extension of the 2-year rule should not be limited to high default schools because of the many ways that default rates can be manipulated and because of the delay in the calculation and reporting of cold, hard default statistics.

Mr. FORD of Michigan. Mr. Chairman, I rise in opposition to the amendment.

The gentlewoman says that she worked out this amendment with the "administration." Am I to believe that the Republicans on my committee have been conspiring with the administration for an amendment and have not let me in on it? Or have they not been talked to about this?

I think a message ought to go out to them.

Mr. COLEMAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. FORD of Michigan. I yield to the gentleman from Missouri.

Mr. COLEMAN of Missouri. Mr. Chairman, we have no idea what the gentlewoman is talking about. We have not been informed by the administration and I am not too happy as far as the amendment. So, we have problems, too.

Mr. FORD of Michigan. Mr. Chairman, the problem with the amendment is that it is probably unconstitutional, among other things.

What we are dealing with is precisely what irritates the gentlewoman and other Members, that a proprietary school is a school that is a business with people investing in to make money.

They make money by educating people one way or another or training people, but they are a business, a legal business, just like any other business. And the effect of the amendment of the gentlewoman is to say that if I sell my business to someone, because I want to retire or for any other reason, that they have to get out of the business of providing education to students with Federal aid for 2 years, as if they were a brand-new business. That does not make sense.

When the gentlewoman talked about branching, she is talking about something else. That was a practice that let a school try to avoid being recertified by branching themselves up. We stopped that 2 years ago.

This amendment is not necessary. It is unfortunately mischievous, and I, therefore, have to oppose it.

Ms. WATERS. Mr. Chairman, will the gentleman yield?

Mr. FORD of Michigan. I yield to the gentlewoman from California.

Ms. WATERS. Mr. Chairman, let me just say to my friends on the other side of the aisle that if the Department of Education did not tell them that it has been working on this amendment, then they do truly have a problem in communications with those that they should be working with.

Let me just say, Mr. Chairman, that this is not a mischievous amendment. I do not have time for mischievous actions.

This is a serious amendment. They sell these licenses for $150,000 or more. They branch out all over the country. They are ripping students off.

Whether it passes or not, we will be back on it at another time.

Mr. MURPHY. Mr. Chairman, I move to strike the last word, and I rise in opposition to the Waters amendment.

I am concerned with the students, set aside the schools and the interests and the owners and the future owners. What about students who may be enrolled in a qualified and proper technical or trade school and have 24 months left to go in their educational process and all of a sudden now, because an owner dies or there is a transfer or one corporation sells to another, that all of a sudden that student aid is totally cut off?

I think it would be highly disruptive to students if this amendment would be passed, and I rise in opposition.

The CHAIRMAN. The question is on the amendment, as modified, offered by the gentlewoman from California [Ms. WATERS].

The amendment, as modified, was rejected.

AMENDMENT OFFERED BY MS. WATERS

Ms. WATERS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. WATERS: Page 224, strike out line 5 through page 225, line 7 and insert in lieu thereof the following:

"(7) a statement that—

"(A) prominently and clearly states that the borrower is receiving a loan that must be repaid;

"(B) notwithstanding any other provision of Federal or State law, the borrower's loan repayment obligation is separate and distinct from the institution's obligation to the borrower and that except as provided in section 435A, a failure by the institution to comply with any Federal, State, or local law shall not excuse any portion of the borrower's obligation to repay the loan.".

Page 228, insert immediately after line 13 the following new section:

SEC. 435A. DEFENSES.

(a) Part B of title IV of the Act is further amended by inserting immediately following section 435 the following new section:

"DEFENSES

"SEC. 435A. Notwithstanding any other provision of Federal or State law, a borrower may assert the act or omission of an institution as a defense to repayment of a loan guaranteed under this part and made in connection with attendance at that institution only if—

"(1) at the time the loan was made, the lender had notice of a significant number of substantial complaints by students that the institution had failed to provide promised services, supplies or refunds and had failed to address satisfactorily such complaints within a reasonable time;

"(2) the lender delegated substantial loan making functions normally performed by lenders to the institution with respect to that loan;

"(3) the loan was made by the institution, or by a lender that is affiliated with a school, as defined in section 481(b), by common control, ownership, contract, or business arrangement or has an origination or referral agreement with said school; or

"(4) the terms of the loan agreement permit the borrower to raise such defenses.".

(b) EFFECTIVE DATE.—The amendments made by this section shall be effective for loans made under this part on or after the date of enactment.

Page 365, strike out line 19 through page 366, line 2.

Ms. WATERS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from California?

There was no objection.

REQUEST FOR MODIFICATION OF AMENDMENT OFFERED BY MS. WATERS

Ms. WATERS. Mr. Chairman, I ask unanimous consent to modify my amendment.

The CHAIRMAN. The clerk will report the modification.

The Clerk read as follows:

Modification of amendment offered by Ms. WATERS:

Page 2, Line 21, strike "a school", and insert "an institution" after "with"

Page 2, Line 23, strike "or business arrangement"

Page 2, Line 24, insert "relationship" after "origination", strike "referral" before "agreement", strike "said school" and insert "such institutions" after "with".

The CHAIRMAN. Is there objection to the request of the gentlewoman from California?

Mr. COLEMAN of Missouri. Mr. Chairman, reserving the right to object, I do say this: I might object. I am not sure. But the gentlewoman is going to start changing her amendments which were all required to be in the RECORD for 2 days, and then she comes up without sharing them with us. And we are going to object.

I do not know what she is doing. I have to take her word for what she is

doing, and sometimes the draftsmanship is not perfect around here.

Ms. WATERS. Mr. Chairman, will the gentleman yield?

Mr. COLEMAN of Missouri. I yield to the gentlewoman from California.

Ms. WATERS. Mr. Chairman, I beg the indulgence of the gentleman. I certainly have no desire to try and trick the gentleman or misinform him.

If we have inadvertently not shared the amendment with the gentleman, it is not because we were attempting to hide anything. I would beg the indulgence of the gentleman from Missouri.

Mr. COLEMAN of Missouri. Mr. Chairman, does any other Member have an amendment? Why do they not share it with us before we have to take more time?

The CHAIRMAN. Does the gentleman object?

Mr. COLEMAN of Missouri. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Chair recognizes the gentlewoman from California [Ms. WATERS] on her original amendment without modification.

Ms. WATERS. Mr. Chairman, I rise to offer an amendment that we have worked out with the administration. This amendment would specify lender liable for school misconduct if the lender had notice of prior unresolved substantial complaints concerning the school, where the lender and the school were corporate affiliates, or where the lender delegated substantial pre-loan functions to the school.

The current bill would immunize lenders—other than schools—holders, guaranty agencies, and the Department of Education from borrower defenses based on failings by the school attended by the borrower. Further, it provides only a limited exception to lender immunity in the case where the lender and the institution have an origination relationship, but this exception is far too narrow and provides insufficient protection to the student consumer.

My amendment would extend to student borrowers existing consumer protection laws to defend against unfair collection activity. Unmodified, the bill would discriminate against those low- and middle-income parents, and students who borrow under the student loan programs—it would prevent students from raising any defenses against the handful of banks that work hand in glove with the worst of the trade schools—not matter how wrongful or illegal the conduct of the banks or the institution.

This amendment would allow students to raise a school's unlawful conduct as a defense against payment in a few limited circumstances: If the loan agreement allowed the students to raise such defenses; if there was an origination agreement between the bank and the school; if the lender had notice when it made the student loan that there were a significant number of substantial complaints about a school's failures to comply with the law and its contract; and or if the bank turned over substantial loan-making functions to the school.

If the amendment is not adopted, we will see hundreds of thousands more trade school students defrauded. Left without recourse, they will be asking why their Government allowed the Student Loan Program to be used to buy trade school owners luxury goods, and to destroy the hopes and dreams of their constituents. If this amendment is not passed, we will see the over $3 billion annual debt for defaulted student loans continue to rise.

Mr. MILLER of California. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I think the gentlewoman from California [Ms. WATERS] has been trying to raise a number of issues around some of the disgraceful practices that have taken place with respect to proprietary schools and the ability of those schools to rip off, in many cases, very sincere students and in other cases students who were unwittingly thrown into this situation and in all cases the taxpayers of the United States.

□ 1820

We keep trying to draw distinctions within the proprietary school community to suggest that we are all joining together to get rid of the worst schools and somehow save the best schools. The gentlewoman from California [Ms. WATERS] now has offered a series of amendments to try to in fact get rid of the worst schools. She has been given rather short shrift on those amendments.

This amendment tries to direct itself at one where not only do we have the worst schools but now we have a bank in collusion with those schools for the purposes of running a tuition mill, not for the purposes of providing an education, where a bank in a hand-in-glove situation with a school is on notice and refuses to do anything about it except continue to provide the cannon fodder of low-income students without any possibility of an education, but only going deeper in debt.

The question is is this institution going to stand by and continue to sanction that as part of the Student Loan Program when we continue to beat our breasts about how we want to reduce student defaults, how we want to get rid of the worst schools, the ones that embarrass us on the nightly news, the ones that embarrass us in the Inspector General's reports, the ones that embarrass us in the GAO reports, or are we going to sit around here and yell "vote," so we can protect the proprietary schools that are ripping this system off?

That is what this amendment is about. The other amendments have been knocked out on this. The gentleman from Tennessee [Mr. GORDON] was knocked out in his effort to do this. That is all well and good, except the Members are about to vote for a bill that is going to allow the worst practices to continue, allow the defaults to continue, allow the loss of taxpayer money to continue.

I think this is the last amendment of the gentlewoman from California [Ms. WATERS]. I think this is the last effort to go at the worst situation. Not only do we have a dishonest school, we have a bank that is willing to fund the dishonesty. What we are telling the students is that they cannot raise the defense that these two institutions were working together to deprive them of their money and to put them into debt, that they simply must be led to slaughter without the ability to raise that defense.

We owe those students that much, especially if we are going to allow the practice to continue. We should not allow the practice to continue. This defense should be allowed to those students. I urge my colleagues to support the amendment.

Mr. FORD of Michigan. Mr. Chairman, I move to strike the requisite number of words.

Unfortunately, I have to disagree with the gentleman from California [Mr. MILLER], my dear friend, because I think he is fighting the wrong dragon here. This does not go to the school, it goes to the lenders. If we tell the lenders we are going to set up all these conditions which may be raised on the complaint of a single student at a school and that that would bar them from recovering their money, there are not going to be any loans to students out there. This is a serious threat to loan access, particularly for low-income students attending schools with high default rates.

We have already had the FTC rule on this when it comes to proprietary schools. The Tipton case in West Virginia interpreted some normal referral practices as an origination relationship that would provide a defense. Actually I am not so sure that by knocking on the door of the Tipton case that we do not tear down the protection that the FTC has already provided for students out there.

We see it as a difficult issue. I would say to the gentleman from California [Mr. MILLER] if he would view it from the perspective of the student and say, "Because you are a student at a school, if you complain that you did not get what you paid for, you do not get it back," imagine getting a bank loan to buy an automobile if the only defense needed was that the car did not run up to your expectations after you bought it.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. FORD of Michigan. I yield to the gentleman from California.

Mr. MILLER of California. Mr. Chairman, they would have to prove that in court.

Mr. FORD of Michigan. I would say to the gentleman, it does not matter if the gentleman proves the car exploded. When he drives it out of the driveway, he still has to pay the note. The note is what is paid. No banker will lend money if he has to be responsible for the quality of the car.

Mr. MILLER of California. This amendment tells the bankers to pay attention to who they are lending money on behalf of.

Mr. FORD of Michigan. It is a bad amendment and I recommend it not be adopted.

The CHAIRMAN. If there is no further debate on the amendment, the question is on the amendment offered by the gentlewoman from California [Ms. WATERS].

The amendment was rejected.

AMENDMENT OFFERED BY MS. WATERS

Ms. WATERS. Mr. Chairman, I offer an amendment on page 197.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Ms. WATERS: Page 197, after line 10, insert the following new section.

SEC. 430A. GARNISHMENT AND COLLECTION PROCEDURES.

(a) GARNISHMENT LIMITATIONS.—Section 428F of the Act is amended by adding at the end the following new subsection:

"(e) LIMITATIONS.—Notwithstanding any provision of law, no garnishment order or writ shall be issued or levied in connection with the collection of the amount due on a loan by a student borrower unless—

"(1) the net income of the student borrower and the borrower's spouse, including any cash benefits received under a needs-based government assistance program, exceeds 150 percent of the poverty level for the size of family which the student borrower has;

"(2) the party attempting to garnish wages makes reasonable inquiry concerning the amount of the net income of the borrower and the borrower's spouse;

"(3) the party attempting to garnish wages files a statement with the clerk of the court before the garnishment order or writ is issued that certifies that (A) the net income of the borrower and the borrower's spouse exceeds the amount specified in paragraph (1) or (B) after reasonable inquiry, the party seeking the garnishment order or writ is unable to ascertain whether the net income of the borrower and the borrower's spouse exceeds the amount specified in paragraph (1);

"(4) in the event a garnishment order or writ is issued and levied and the net income of the borrower and the borrower's spouse is less than the amount specified in paragraph (1), the garnishment shall be terminated and all wages garnished shall be returned to the wage earner, and if after reasonable inquiry the party seeking the garnishment order or writ knew or should have known that the net income was less than the amount specified in paragraph (1), that party shall be subject to liability, if any, established under State law for wrongful garnishment; and

"(5) in the event a garnishment order or writ is issued and levied, that net amount garnished shall not reduce the borrower's and the borrower's spouse's income to less than the amount specified in paragraph (1) and any amount which is garnished in violation of this paragraph shall be returned to the borrower.".

(b) COLLECTIONS ON DEFAULTED LOANS.—Section 430 of the Act is amended by adding at the end the following new subsections:

"(e) LIMITATION.—No action shall be commenced against a student borrower for any amount due on a loan made pursuant to this title unless the net income of the student borrower and the borrower's spouse, including any cash benefits received under a needs-based government assistance program, exceeds 150 percent of the poverty level for the size of the family which the student borrower has.

"(f) OFFSET LIMITATION.—If the Secretary or a guaranty agency seeks to offset all or any portion of the amount owed on a loan made pursuant to this title against an income tax refund intercept under State or Federal law—

"(1) the student borrower shall be provided with written notice setting forth clearly and conspicuously all of the applicable valid objections to offset and the borrower's rights to a hearing;

"(2) if the student borrower objects to the offset and the objection is denied, the borrower shall be informed of all of the grounds for denial and of the borrower's right of administrative appeal and judicial review;

"(3) if a tax intercept program under State law is invoked, all of the procedures for notice, hearing, and appeal under the State program shall be at least as protective of the student borrower as the procedures under Federal law, notwithstanding any contrary State law; and

"(4) if the requirements of the State or Federal income tax refund intercept program are not satisfied, the student borrower shall be entitled to recover treble the amount of the tax refund wrongfully intercepted as an offset to the balance of the loan debt, or as damages to the extent the amount exceeds the debt, plus reasonable attorney's fees and costs.".

(c) FORBEARANCE AND DEFERMENT INFORMATION.—Part B of title IV of the Act is amended by inserting after section 430A the following new section:

"FORBEARANCE AND DEFERMENT INFORMATION

"SEC. 430B. (a) DESCRIPTION REQUIRED.—An eligible lender or loan servicing agent shall provide a student borrower with a clear, conspicuous, concise, and complete description of all of the student borrower's rights to a forbearance or deferment at or before the time that the student borrower is first required to begin paying the loan and, if the student borrower becomes delinquent, at each time demand for payment is made following delinquency and before default.

"(b) APPLICABILITY.—If a student borrower is entitled to a forbearance or deferment, the forbearance or deferment shall relate back to the date on which the student borrower first became eligible to receive the forbearance or deferment notwithstanding whether the student has been placed in default status with regard to the loan.

"(c) CURE OF DELINQUENCY.—If a student borrower was eligible for a forbearance or deferment but was not adequately informed of the right to apply or was not given assistance in the completion of the application and if the student is deemed delinquent, all collection activity shall be suspended to provide a reasonable period for the student borrower to apply for a forbearance or deferment and for a decision to be made on the borrower's application.

"(d) REMOVAL OF DEFAULT.—If a student borrower is granted a forbearance of deferment after being placed in default status, the default shall be removed, all collection activity shall terminate, and credit reporting agencies and the agency seeking collection shall be informed of the grant of a forbearance or deferment and the removal of the default.".

(d) COMPROMISE AND DISCHARGE.—Section 437 of the Act is amended by adding at the end the following new subsection:

"(c) FRAUD OR MISREPRESENTATION.—The Secretary shall discharge a student borrower's liability on a loan described in this subchapter and shall repay the amount of the loan discharged if a State attorney general or other law enforcement agency, State educational licensing agency, guaranty agency, or the Secretary finds or has substantial evidence or reason to believe that an institution has engaged in fraud or misrepresentation or any violation of State or Federal law in connection with soliciting, offering, contracting for, or providing instruction.".

(e) DUE PROCESS.—Part G of title IV of the Act is amended by adding at the end the following new section:

"DUE PROCESS

"SEC. 492. Lenders, guaranty agencies, and any other person involved in the collection of any amount due under a loan made under this title shall, in addition to any provisions of law applicable to them, be subject to section 552 of title 5, United States Code, and to the same constitutional and statutory requirements of due process, including requirements for notice and hearing, that would apply to the Secretary if the Secretary were collecting on the loan.".

—Page 191, after line 18, insert the following new subsection:

(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."

Ms. WATERS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from California.

There was no objection.

POINT OF ORDER

Mr. COLEMAN of Missouri. Mr. Chairman, I raise a point of order on the amendment.

The CHAIRMAN. The gentleman from Missouri [Mr. COLEMAN] is recognized on his point of order.

Mr. COLEMAN of Missouri. Mr. Chairman, under section 303(a) of the Congressional Budget Act, it is not in order to consider any measure which creates entitlement authority or direct spending authority first effective in a fiscal year prior to the adoption of the budget resolution for that fiscal year.

The instant amendment creates new spending authority first effective in

fiscal year 1993 by affording specific individuals protection from garnishment and collection on outstanding loan debt. As a result, this economic benefit to specific individuals creates new entitlement authority first effective in fiscal year 1993.

Since Congress has yet to agree to the conference report on the concurrent resolution on the budget for fiscal year 1993, the amendment is not in order.

Mr. Chairman, I insist on my point of order.

The CHAIRMAN. Does the gentlewoman from California [Ms. WATERS] desire to be heard on the point of order?

Ms. WATERS. Yes, Mr. Chairman.

Mr. Chairman, on the point of order, let me just say that I do believe that the objection is being raised not so much because the bill or the amendment is not in order, but rather because there is an attempt by which to stop discussion and debate on this most important area.

I have no illusions about whether or not most of these amendments will pass, but I certainly intend to start this debate in this Congress, whether there are those who like it or not. Today is just the first day. I intend to be around here for a long time. I intend to debate this issue for many years to come.

I will not stand by and watch millions of taxpayer dollars being ripped off by these private postsecondary schools and have them protected in this Congress by Members who would raise points of order or anything else in order to keep us from this debate. It is a scandal in America. It will come to haunt all of us, because we choose not to protect the taxpayers but rather the ripoff artists.

The CHAIRMAN (Mr. PEASE). The Chairman has been liberal and understanding in allowing Members, in speaking to points of order, to stray somewhat from the actual point of order.

In this situation the Chair is now prepared to rule.

For the reasons raised by the gentleman from Missouri [Mr. COLEMAN] in his point of order, this amendment is judged by the Chair to be in violation of section 303 of the Budget Act. The point of order is sustained.

Mr. COLEMAN of Missouri. Mr. Chairman, I move to strike the last word.

Let me say what I have to say. When a Member of this House stands up and makes a legitimate point of order and gets chastised by his colleagues for doing so, we are in poor shape around here. We are really out of order.

I had an amendment, the first one up today, that was ruled out of order on a point of order. I did not stand up and tell the chairman that he was ripping off the public or anything else. We had differences of agreement. The point of order was done. I sat down and I was quiet about it. That is the way it is supposed to be conducted around here.

I do not appreciate the gentlewoman from California [Ms. WATERS] giving me salvos on this simply because I legitimately raised a point of order.

Ms. WATERS. Mr. Chairman, I ask unanimous consent to be involved in a colloquy with the gentleman from Missouri [Mr. COLEMAN] about this issue.

The CHAIRMAN. The gentleman from Missouri has the floor.

Mr. COLEMAN of Missouri. Mr. Chairman, I yield back the balance of my time.

Mr. FORD of Michigan. Mr. Chairman, reserving the right to object, I would say to the gentlewoman from California [Ms. WATERS] that I do not want to object to her ability to keep on talking, but I have dozens of people coming to me who are at each minute missing airplanes to get back to their districts.

Ms. WATERS. Mr. Chairman, I have said what I need to say.

Mr. FORD of Michigan. Mr. Chairman, I do not think we need a filibuster. I am sorry I cannot go along with the gentlewoman.

The CHAIRMAN. Are there any further amendments to title IV?

AMENDMENT OFFERED BY MR. SOLOMON

Mr. SOLOMON. Mr. Chairman, I offer an amendment to title IV that is printed in the RECORD.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. SOLOMON: Page 364, strike out lines 10 through 18 and insert the following:

"(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.

Mr. SOLOMON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SOLOMON. Mr. Chairman, I rise to offer an amendment to title IV of the bill which would close a loophole in drug rehabilitation requirements for students convicted of drug use.

Roughly 75 percent of all illegal drug use can be attributed to casual drug users. Many of these users are students who are rarely disciplined for illicit drug use by their college or university.

I hold the opinion that students who are repeat drug offenders should be required to complete drug rehabilitation before the Federal Government reinstates their education benefits.

For those students who are first-time drug offenders, these individuals should have an opportunity to rehabilitate themselves while continuing to receive their Federal education benefits.

I am pleased to see that my colleagues on the Education and Labor Committee have adopted most of my language requiring students convicted of drug use to seek rehabilitation in order to qualify for continued Federal education assistance and I commend their efforts.

Unfortunately, after reviewing the committee language, I have found a troublesome loophole which was overlooked.

My amendment would close this loophole. While the bill requires repeat offenders to complete a drug rehabilitation program before the Federal Government resumes the student's education benefits, the bill does not impose the same requirement on first-time offenders. In fact, the bill allows first-time convicted student drug users to merely enroll in, to be accepted into, a drug rehabilitation program in order to continue receiving their Federal education benefits. Whether the student actually completes the rehabilitation program does not matter.

My amendment would simply require the student to successfully complete the drug rehabilitation program within 2 years from enrollment or 3 years from acceptance into a program, whichever occurs earlier. If the student fails to complete the program within these generous time limits, the student must reimburse the Federal Government for the amount of grant or work assistance and twice the amount of any loan received since being given the chance to rehabilitate.

This amendment will provide the necessary incentives for students convicted of drug use to complete their rehabilitation program. That's a goal which we all can share.

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Chairman, we have examined the amendment and the majority has no objection to the amendment.

□ 1830

Mr. SOLOMON. Mr. Chairman, I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. SOLOMON].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title IV?

If not, the Clerk will designate title V.

The text of title V is as follows:

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.

"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 5 core academic subjects (English, mathematics, science, history, 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, 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 five 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 innercity 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 form 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 purpose 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 geographically 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 univer-

sity 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.".

(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.

AMENDMENT OFFERED BY MR. PANETTA

Mr. PANETTA. Mr. Chairman, I offer an amendment, and it is printed in the RECORD.

The Clerk read as follows:

Amendment offered by Mr. PANETTA:

Page 449, line 23, strike "5 core" and insert "6 core"; and on line 25, insert "foreign languages," after "history,".

Page 450, line 18, insert "foreign languages," after "history,".

Page 451, line 1, strike "five core" and insert "6 core".

Page 534, line 25, strike out the close quotation marks and following period and after such line insert the following new part (and conform the table of contents accordingly):

"PART D—FOREIGN LANGUAGE INSTRUCTION

"SUBPART 1—DEMONSTRATION GRANTS FOR CRITICAL LANGUAGE AND AREA STUDIES

"SEC. 596A. 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 purpose 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 purpose of this section the term 'critical language' means each of the languages obtained 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. 596B. 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 organizations, 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.".

Page 432, after line 4, insert the following new subsection:

"(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.

Mr. PANETTA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PANETTA. Mr. Chairman, this amendment, quickly, deals with trying to improve foreign language instruction and provides demonstration grants for critical language areas as well as the development of foreign language and cultural instructional materials.

America cannot be an ostrich with its head in the sand—Woodrow Wilson, 1916.

This great Nation was built on the strength and diversity of its population whose roots are distinct blends of a number of different countries. I, along with almost every other person in the United States, can trace their history back to some foreign country.

America opened its arms to the flood of immigrants who looked to the United States as a beacon of freedom and hope. We embraced their optimism and willingness to prove themselves, and marveled at their ability to adapt to a blossoming new world of unfamiliar sounds and customs.

What is most astonishing is the fact that these people, like my own parents who came to this country from Italy, were able to succeed by acquiring language skills and understanding this new culture. They realized that, not only in order to survive, but to succeed, mastering the culture resulted in expanded development and opportunity for themselves, their family, and their community.

In a world of disappearing geographic barriers, it makes the most practical sense to un-

derstand those peoples that we interact with, and those that we will hopefully have the opportunity to do so with in the near future, especially in light of recent events which have changed the world stage as we know it.

The possibilities of trade with the former Soviet republics could open many new doors. We are currently negotiating a free trade agreement with Mexico, and negotiating the General Agreement of Tariffs and Trade [GATT], while also contemplating the impending merging of the European Community.

The future economic welfare and national security of the United States will substantially depend on our ability to educate our citizens to communicate in other languages and know other cultures and business practices. How else can we expect to effectively maintain and improve our economic leadership?

My amendment addresses these needs. It will provide for demonstration grants for critical language and area studies consortia and grants for the development of foreign language and culture instructional materials. It would also add foreign languages to the core subject areas for teaching academies. This amendment duplicates the provisions added to title V of the Higher Education Act in the Senate reauthorization bill.

These measures will go far both in developing foreign language instruction and teacher training in order to alleviate the shortage that 35 States currently report, and for addressing the fact that fewer than 20 percent of our elementary schools offer any form of language instruction.

These provisions were adopted from legislation I introduced just last year, H.R. 1154, called the Global Education Opportunities Act, which has garnered the bipartisan support of 100 of my colleagues. This bill is based on three pieces of legislation introduced in the last Congress, H.R. 2188, Mr. PANETTA; H.R. 4144, Mr. SANGMEISTER; and H.R. 5710, Mr. FORD of Michigan.

I am pleased to say that similar provisions from my legislation in the last Congress were successfully adopted into the House Education and Labor Committee's comprehensive education bill. However, the House and Senate did not conference on their respective measures before the session came to a close. It is my hope that the House will once again approve these provisions to address these critical issues in our Nation's schools.

We must take the necessary steps to take our head out of the sand and challenge ourselves. We must face up to the realities of the future, the realities of an increasingly complex and diverse world marketplace. The Federal Government has a vested interest in ensuring that all students learn about the diverse cultural heritage of the Nation and world community so that the Nation's ability to compete is preserved.

What an exciting time it is. I urge all of my colleagues in joining me to support increased foreign language education for the future of our country.

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Chairman, in spite of the fact that this is an amendment from the chairman of the Budget Committee, the majority is ready to accept his amendment and would recommend it be adopted.

Mr. EMERSON. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the gentleman from Missouri.

Mr. EMERSON. Mr. Chairman, I rise today in strong support of the Panetta amendment to the Higher Education Amendments Act of 1992. The provisions of this amendment will add foreign languages to the list of core subjects for the State academies for teachers, and will provide for the development of foreign language materials and foreign language instruction.

As many of my colleagues are aware, I am the persistent author of a piece of legislation which would declare English as the official language of our Federal Government. All persons, whatever their linguistic and cultural background, should be encouraged to preserve that birthright and be given the opportunity to do so.

I feel just as strongly about the importance of foreign language education as I do about English being recognized as the common language in this country. These two issues parallel along the lines of basic necessity—communication. The inability to communicate is likely the single largest contributing factor to disunity. From foreign national to foreign national, from coworker to coworker, from husband to wife, from parent to child, if we are unable to communicate, we are unable to proceed—let alone progress.

The youth of this country should be able to pursue dreams that reach beyond our North American borders. We are fast approaching a time when they will be expected to compete beyond these perimeters. We have the opportunity on the House floor today to help prepare these students for the challenges that lie ahead. The Panetta amendment provides a vehicle for students to cross these boundaries into a myriad of cultures and experiences that, through the benefit of foreign language education, will better enable them to participate in an international society.

As modern technology and political climates change the world map, we are faced with an interdependent global economy in which language competence and cultural awareness are both basic and vital tools. I ask my colleagues to support this very important amendment and provide to our students the same opportunity in language study that we must extend to those in this country who are not proficient in English—the opportunity and encouragement to conquer language barriers.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. PANETTA].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ORTON

Mr. ORTON. Mr. Chairman, I offer an amendment at page 534 which was printed in the RECORD.

The Clerk read as follows:

Amendment offered by Mr. ORTON: Page 534, line 25, strike out the close quotation marks and following period and after such line insert the following new part:

"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 designed 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 Teachers 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 applica-

tions 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.

—Page 432, after line 4, insert the following new paragraph:

"(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.

Mr. ORTON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. ORTON. Mr. Chairman, I rise today to offer the Veterans Teacher Corps amendment to title V of the Higher Education Reauthorization Act.

The amendment would provide competitive grants to local educational agencies to establish programs to inform U.S. military veterans of teaching opportunities, and to provide assistance in the establishment of teaching opportunities for these individuals.

This amendment is designed to fully utilize the vast resources of knowledge and skill of the large number of men and women of this Nation who are currently leaving the military. Over the last year, the world has experienced an unprecedented measure of change. The rise of democracy and peace in Eastern Europe is a wonderful development for all nations, as are the efforts of the newly independent Soviet States to reduce arms. These developments have allowed the United States to begin downsizing the military. The result of this downsizing is the sharpest contraction of military forces since World War II. Any way you measure it, the U.S. defense establishment is shrinking.

In 1992 dollars, the defense budget has decreased by 15 percent in the last 3 years alone. In the 10-year period between 1986 and 1996, defense spending is expected to drop by 27 percent. This budget savings is critical, particularly during the current economic downturn. With a record deficit predicted for the current fiscal year, any sort of budget savings is welcome. At the same time, however, we as Government leaders must stop to consider the effect of military downsizing on human lives. Between 1990 and 1995, 516,000 troops will leave the active-duty military. We have an obligation to give these men and women alternatives to the fairly sudden loss of their careers. The Veterans Teacher Corps is designed to do just that.

The changes in today's world, and particularly in this Nation, have come at a time when the men and women leaving the military can be of immense use to the education system. Comparative studies with other nations have shown that American children are below average in many areas of education, particularly in the maths and sciences. I can think of few sources that would provide the necessary experience in these areas as adequately as would those motivated and experienced people of our military. Moreover, I cannot think of a more critical issue facing the future of this country than the quality of our education system. We are encountering a rare opportunity to provide a valuable service both to our children and to the men and women who so bravely serve this country militarily.

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. ORTON. I understand the committee chairman will accept this amendment, and I yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Chairman, we have examined the gentleman's amendment and the majority is prepared to accept it and recommend that it be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Utah [Mr. ORTON].

The amendment was agreed to.

Mr. FORD of Michigan. Mr. Chairman, I ask unanimous consent that the remainder of the amendment in the nature of a substitute be printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The text of the remainder of the amendment in the nature of a substitute, as modified, is as follows:

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 agen-

cies 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 from 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 noninstitutional educational and training ac-

tivities 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 allocated 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 Institute 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 inter-

national 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.".

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 ful-

fillment 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 maintaining 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 para-

graphs (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"; and

(3) by inserting "and formalized institutional commitment statement" after "demonstrated by the plans" in such paragraph;

(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. 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 profess'onal 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 disabled 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 identify 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 administrators 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 renew-

able 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 APPLICAITON 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 personel, 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 preparation 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 responsible 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 institutions 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, and

"(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, 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.

"(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 institu-

tion 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 edu-

cation, 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 individual 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 education 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, research 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 the 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 disabil-

ities. 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 with 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. 1421. 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. 1422. 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. 1423. 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. 1424. 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. 1425. 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. 1426. 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.

AMENDMENT OFFERED BY MR. HENRY

Mr. HENRY. Mr. Chairman, I offer an amendment that was printed in the RECORD and begins at page 690, line 9.

The Clerk read as follows:

Amendment offered by Mr. HENRY: Page 690, line 9, strike out "section." and insert in

lieu thereof "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."

Mr. HENRY. Mr. Chairman, this is essentially a technical correction of the relationships between the Department of Education and the accrediting agencies. It has been agreed to, to the best of my knowledge, by the chairman and ranking Republican member. I am not aware of any opposition.

Mr. FORD of Michigan. Mr. Chairman, if the gentleman will yield, we have examined this amendment and I am pleased to announce that we accept it and recommend that Members vote "yes."

Mr. GOODLING. Mr. Chairman, if the gentleman will yield, we accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. HENRY].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. PETRI

Mr. PETRI. Mr. Chairman, I offer an amendment that was printed in the RECORD.

The Clerk read as follows:

Amendment offered by Mr. PETRI: At the end of the bill add the following new title:

TITLE XV—INCOME-DEPENDENT EDUCATION ASSISTANCE LOANS

PART A—LENDING AUTHORITY

SEC. 1501. PROGRAM AUTHORITY.

(a) IN GENERAL.—The Secretary of Education (hereinafter referred to as the "Secretary") shall, in accordance with the provisions of this title—

(1) make loans to eligible students in accordance with this title, and

(2) establish an account for each borrower of such a loan, and collect repayments on such loans in accordance with this title; and

(3) enter into agreements with other agencies of the Government as may be necessary to carry out the purposes of this title, and delegate to such agencies any of the Secretary's functions specified herein.

(b) LIMITATION ON AUTHORITY.—The authority granted by this title shall not be effective unless the Secretary publishes a finding that the Secretary has, pursuant to this title, established a collection mechanism that will provide a high degree of certainty that collections will be made in accordance with the repayment provisions established under part B of this title.

SEC. 1502. AGREEMENTS BY ELIGIBLE INSTITUTIONS.

(a) TERMS OF AGREEMENT.—In order to qualify its students for loans under this title, an eligible institution shall enter into an agreement with the Secretary which—

(1) provides that the institution will collect applications for loans under this title from its students that are in such form and contain or are accompanied by such information as the Secretary may require by regulation;

(2) contains assurances that the institution will, on the basis of such applications, provide to the Secretary the information required by section 1504 and will certify to the Secretary—

(A) the cost of attendance determination for each student; and

(B) the amount of any outstanding loans to such student under title IV of the Higher Education Act of 1965 or title VII of the Public Health Service Act;

(3) provides that the institution will provide to each student applying for a loan under this title a notice provided by the Secretary of the student's obligations and responsibilities under the loan;

(4) provides that, if a student withdraws after receiving a loan under this title and is owed a refund—

(A) the institution will pay to the Secretary a portion of such refund, in accordance with regulations prescribed by the Secretary to ensure receipt of an amount which bears the same ratio to such refund as such loan bore to the cost of attendance of such student; and

(B) the amount of such refund will be credited to the student's account in accordance with regulations prescribed by the Secretary; and

(5) contains such additional terms and conditions as the Secretary prescribes by regulation to protect the fiscal interest of the United States and to ensure effective administration of the program under this title.

(b) ENFORCEMENT OF AGREEMENT.—The Secretary may, after notice and opportunity for a hearing to the institution concerned, suspend or revoke, in whole or in part, the agreement of any eligible institution if he finds that such institution has failed to comply with this title or any regulation prescribed under this title or has failed to comply with any term or condition of its agreement under subsection (a). No funds shall be loaned under this title to any student at any institution while its agreement is suspended or revoked, and the Secretary may institute proceedings to recover any funds held by such an institution. The Secretary shall have the same authority with respect to his functions under this Act as he has with respect to his functions under part B of title IV of the Higher Education Act of 1965.

SEC. 1503. AMOUNT AND TERMS OF LOANS.

(a) ELIGIBLE AMOUNTS.—

(1) ANNUAL LIMITS.—Any individual who is determined by an eligible institution to be an eligible student for any academic year shall be eligible to receive an IDEA loan for such academic year in an amount which is not less than $500 or more than the cost of attendance at such institution, determined in accordance with section 484 of the Higher Education Act of 1965. The amount of such loan shall not exceed—

(A) $6,500 in the case of any student who has not completed his or her second year of undergraduate study;

(B) $8,000 in the case of any student who has completed such second year but who has not completed his or her course of undergraduate study;

(C) $30,000 in the case of any student who is enrolled in a graduate degree program in medicine, dentistry, veterinary medicine, podiatry, optometry, or osteopathic medicine; or

(D) $22,500 in the case of any student who is enrolled in a graduate degree program in pharmacy, chiropractic, public health, health administration, clinical psychology, or allied health fields, or in an undergraduate degree program in pharmacy; or

(E) $11,000 in the case of any other student.

(2) LIMITATION ON BORROWING CAPACITY.—No individual may receive any amount in an additional IDEA loan if the sum of the original principal amounts of all IDEA loans to such individual (including the pending additional loan) would equal or exceed—

(A) $70,000, minus

(B) the product of (i) the number of years by which the borrower's age (as of the close of the preceding calendar year) exceeds 35, and (ii) one-twentieth of the amount specified in subparagraph (A), as adjusted pursuant to paragraph (3).

(3) EXCEPTIONS TO BORROWING CAPACITY LIMITS FOR CERTAIN GRADUATE STUDENTS.—For a student who is—

(A) a student described in paragraph (1)(C), paragraph (2) shall be applied by substituting "$143,370" for "$70,000"; or

(B) a student described in paragraph (1)(D), paragraph (2) shall be applied by substituting "$115,770" for "$70,000".

(4) ADJUSTMENT OF LIMITS FOR INFLATION.—Each of the dollar amounts specified in paragraphs (1), (2), and (3) shall be adjusted for any academic year after calendar year 1995 by the cost-of-living adjustment for the calendar year preceding such academic year determined as the percentage (if any) by which the CPI for the preceding calendar year exceeds the CPI for the calendar year 1995, rounded to the nearest multiple of $100 (or, if such adjustment is a multiple of $50 and not a multiple of $100, such adjustment shall be increased to the next higher multiple of $100).

(5) COMPUTATION OF OUTSTANDING LOAN OBLIGATIONS.—For the purposes of this subsection, any loan obligations of an individual under student loan programs under title IV of the Higher Education Act of 1965 or title VII of the Public Health Service Act shall be counted toward IDEA annual and aggregate borrowing capacity limits. For purposes of annual and aggregate loan limits under any such student loan program, IDEA loans shall be counted as loans under such program.

(6) ADJUSTMENTS OF ANNUAL LIMITS FOR LESS THAN FULL-TIME STUDENTS.—For any student who is enrolled on a less than full-time basis, loan amounts for which such student shall be eligible for any academic year under this subsection shall be reduced in accordance with regulations prescribed by the Secretary of Education.

(b) DURATION OF ELIGIBILITY.—An eligible student shall not be eligible to receive a loan under this title for more than a total of the full-time equivalent of 9 academic years, of which not more than the full-time equivalent of 5 academic years shall be as an undergraduate student and not more than the full-time equivalent of 5 academic years shall be as a graduate student.

(c) TERMS OF LOANS.—Each eligible student applying for a loan under this title shall sign a written agreement which—

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

(2) provides that such student will repay the principal amount of the loan and any interest or additional charges thereon in accordance with part B of this title;

(3) provides that the interest on the loan will accrue in accordance with section 1505;

(4) certifies that the student has received and read the notice required by section 1502(a)(3); and

(5) contains such additional terms and conditions as the Secretary may prescribe by regulation.

(d) DISBURSEMENT OF PROCEEDS OF LOANS.—The Secretary shall, by regulation, provide for the distribution of loans to eligible students and for the appropriate notification of eligible institutions of the amounts

of loans which are approved for any eligible student, and for the allocation of the proceeds of such loan by semester or other portion of an academic year. The Secretary shall distribute the proceeds of loans under this title by disbursing to the institution a check or other instrument that is payable to and requires the endorsement or other certification by the student. Such proceeds shall be credited to any obligations of the eligible student to the institution related to the cost of attendance at such institution, with any excess being paid to the student. The first installment of the proceeds of any loan under this title that is made to a student borrower who is entering the first year of a program of undergraduate education, and who has not previously obtained a loan under this title, shall not be presented by the institution to the student for endorsement until 30 days after the borrower begins a course of study, but may be delivered to the eligible institution prior to the end of that 30-day period.

SEC. 1504. INFORMATION REQUIREMENTS FOR LOAN PROGRAM.

(a) RESPONSIBILITIES OF ELIGIBLE INSTITUTIONS.—Each eligible institution which receives funds under this title shall—

(1) submit to the Secretary, at such time and in such form as the Secretary may require by regulation, a machine-readable list of applicants and the amounts for which they are qualified under section 1503;

(2) promptly notify the Secretary, on request, of any change in enrollment status of any recipient of a loan under this title; and

(3) submit, at such time and in such forms as the Secretary may require by regulation for use in determining the repayment status of borrowers, a machine-readable list of eligible students who have previously received loans under this title but who are not included as current applicants in the list required by such paragraph.

(b) RESPONSIBILITIES OF THE SECRETARY.—The Secretary shall, on the basis of the lists received under subsection (a)(2), establish an obligation account, by name and taxpayer identification number, with respect to each recipient of a loan under this title. The Secretary shall provide for the increase in the total amounts subsequently loaned to that recipient under this title and by the amount of any interest charges imposed pursuant to section 1505. The Secretary shall transmit to each recipient of a loan under this title a statement of the total amount of the obligation of such recipient as of the close of the preceding calendar year.

SEC. 1505. INTEREST CHARGES.

Interest charges on loans made under this title shall be added to the recipient's obligation account at the end of each calendar year. Such interest charges shall be based upon an interest rate equal to the lesser of—

(1) the sum of the average bond equivalent rates of 91-day Treasury bills auctioned during that calendar year, plus 2 percentage points, rounded to the next higher one-eighth of 1 percent; or

(2) 10 percent.

SEC. 1506. CONVERSION AND CONSOLIDATION OF OTHER LOANS.

(a) IN GENERAL.—The Secretary may, upon request of a borrower who has received a federally insured or guaranteed loan or loans under title IV of the Higher Education Act of 1965 or under title VII of the Public Health Service Act, make a new loan to such borrower in an amount equal to the sum of the unpaid principal on the title IV or title VII loans. The proceeds of the new loan shall be used to discharge the liability on such title IV or title VII loans. Except as provided in subsection (b), any loan made under this subsection shall be made on the same terms and conditions as any other loan under this Act and shall be considered a new IDEA loan for purposes of this title.

(b) CONVERSION REGULATIONS.—The Secretary shall prescribe regulations concerning the methods and calculations required for conversion to IDEA loans under subsection (a). Such regulations shall provide appropriate adjustments in the determination of the principal and interest owned on the IDEA loan in order to—

(1) secure payments to the Government commensurate with the amounts the Government would have received had the original loans been IDEA loans;

(2) fairly credit the borrower for principal and interest payments made on such original loans and for origination fees deducted from such original loans; and

(3) prevent borrowers from evading their obligations or otherwise taking unfair advantage of the conversion option provided under this section.

(c) MANDATORY CONVERSION OF DEFAULTED LOANS.—

(1) CONVERSION IN ACCORDANCE WITH REGULATIONS.—Any loan which is—

(A) made, insured, or guaranteed under title IV of the Higher Education Act of 1965 after the date of enactment of this Act, and

(B) assigned to the Secretary of Education for collection after a default by the borrower in repayment of such loan,

shall, in accordance with regulations prescribed by the Secretary be treated for purposes of collection as if such loan had been converted to an IDEA loan under subsections (a) and (b) of this section.

(2) NOTICE.—The Secretary shall notify the borrower of the conversion of the defaulted loans to an IDEA loan and of the procedures for collection.

SEC. 1507. TERMINATION OF OTHER STUDENT LOAN PROGRAMS.

The authority to make additional loans under section 428A and part D of title IV of the Higher Education Act of 1965 (20 U.S.C. 1078–1) is terminated for any academic year beginning after the date that regulations are prescribed by the Secretary to carry out this title. This section shall not affect the administration of such section and part with respect to loans made prior to that date.

SEC. 1508. AUTHORIZATION OF APPROPRIATIONS.

(a) LOAN FUNDS.—There are authorized to be appropriated to make distribution of loan funds under section 1502 such sums as may be necessary.

(b) ADMINISTRATION EXPENSES.—There are authorized to be appropriated such sums as may be necessary to administer and carry out this title.

SEC. 1509. DEFINITIONS.

For purposes of this title—

(1) the term "eligible institution" has the meaning given it by section 435(a) (1) or (2) of the Higher Education Act of 1965;

(2) the term "eligible student" means a student who is eligible for assistance under title IV of the Higher Education Act of 1965 as required by section 484 of such Act (relating to eligibility for student assistance) and who is carrying at least one-half the normal full-time academic workload (as determined by the institution); and

(3) the term "IDEA loan" means a loan made under this title.

PART B—COLLECTION SYSTEM

SEC. 1521. COLLECTION OF INCOME-DEPENDENT EDUCATION ASSISTANCE LOANS.

(a) NOTICE TO BORROWER.—

(1) IN GENERAL.—Each year, the Secretary shall furnish to each borrower of an IDEA loan notices as to—

(A) whether the records of the Secretary indicate that such borrower is in repayment status,

(B) the maximum account balance of such borrower,

(C) the current account balance of such borrower as of the close of the preceding calendar year, and

(D) the procedure for computing the amount of repayment owing for the repayment year beginning in the preceding calendar year.

(2) FORM, ETC.—The notice under paragraph (1) shall be in such form as the Secretary may by regulations prescribe and shall be sent by mail to the individual's last known address or shall be left at the dwelling or usual place of business of such individual.

(b) COMPUTATION OF ANNUAL REPAYMENT AMOUNT.—

(1) IN GENERAL.—The annual amount payable under this section by the borrower for any repayment year shall be the lesser of—

(A) the product of—

(i) the base amortization amount, and

(ii) the progressivity factor for the borrower for such repayment year, or

(B) 20 percent of the excess of—

(i) the adjusted gross income of the borrower for such repayment year, over

(ii)(I) in the case of a married borrower, $10,900 in 1994 and adjusted for inflation thereafter,

(II) in the case of an unmarried borrower who is a head of household, $7,650 in 1994 and adjusted for inflation thereafter, and

(III) in the case of an unmarried borrower who is not a head of household, $6,050 and adjusted for inflation thereafter.

(2) BASE AMORTIZATION AMOUNT.—

(A) IN GENERAL.—For purposes of this section, the term "base amortization amount" means the amount which, if paid at the close of each year for a period of 12 consecutive years, would fully repay (with interest) at the close of such period the maximum account balance of the borrower. For purposes of the preceding sentence, an 8-percent annual rate of interest shall be assumed.

(B) MARRIED BORROWERS.—In the case of a married borrower where each spouse has an account balance and is in repayment status, the amount determined under subparagraph (A) shall be the sum of the base amortization amounts of each spouse.

(3) PROGRESSIVITY FACTOR.—

(A) IN GENERAL.—For purposes of this section, the term "progressivity factor" means the number determined under tables prescribed by the Secretary which is based on the following tables for the circumstances specified:

(i) MARRIED BORROWERS.—In the case of a married borrower—

If the borrower's adjusted gross income is:	The progressivity factor is:
Not over $7,860	0.429
11,700	0.500
16,740	0.571
21,720	0.643
26,880	0.786
32,700	0.893
39,060	1.000
48,600	1.000
63,480	1.152
87,360	1.272
117,000	1.364
163,080	1.485
240,000 and over	2.000

(ii) HEADS OF HOUSEHOLDS.—In the case of an unmarried borrower who is a head of household—

If the borrower's adjusted gross income is:	The progressivity factor is:
Not over $6,540	0.429
10,320	0.500
12,300	0.607
16,080	0.643
19,920	0.714
25,020	0.857
31,380	1.000
37,740	1.000
47,280	1.094
63,180	1.313
85,440	1.406
114,060	1.500
204,000 and over	2.000

(iii) OTHER UNMARRIED INDIVIDUALS, ETC.—In the case of an unmarried borrower who is not a head of household—

If the borrower's adjusted gross income is:	The progressivity factor is:
Not over $6,540	0.467
9,000	0.500
11,580	0.533
14,220	0.600
16,740	0.667
19,920	0.767
25,020	0.867
31,380	1.000
37,740	1.000
45,360	1.118
58,080	1.235
82,260	1.412
94,320	1.500
168,000 and over	2.000

(B) RATABLE CHANGES.—The tables prescribed by the Secretary under subparagraph (A) shall provide for ratable increases (rounded to the nearest 1/1,000) in the progressivity factors between the amounts of adjusted gross income contained in the tables.

(C) INFLATION ADJUSTMENT OF AGI AMOUNTS.—For inflation adjustment of amounts of adjusted gross income, see subsection (h)(3).

(c) TERMINATION OF BORROWER'S REPAYMENT OBLIGATION.—

(1) IN GENERAL.—The repayment obligation of a borrower of an IDEA loan shall terminate only if there is repaid with respect to such loan an amount equal to—

(A) in the case of any repayment during the first 12 years for which the borrower is in repayment status with respect to any loan, the sum of—

(i) the principal amount of the loan, plus

(ii) interest computed for each year the loan is outstanding at an annual rate equal to the annual rate otherwise applicable to such loan for such year, plus 1.5 percent, and

(B) in the case of any repayment during any subsequent year, the principal amount of the loan plus interest computed at the rates applicable to the loan.

(2) NO REPAYMENT REQUIRED AFTER 25 YEARS IN REPAYMENT STATUS.—No amount shall be required to be repaid under this section with respect to any loan for any repayment year after the 25th year for which the borrower is in repayment status with respect to such loan.

(3) EXCEPTION FOR DE MINIMUS LOANS REPAID DURING THE FIRST 12 YEARS IN REPAYMENT STATUS.—In any case where the maximum account balance of any borrower is $3,000 or less, subparagraph (B), and not subparagraph (A), of paragraph (1) shall apply to repayment of such loan.

(4) DETERMINATION OF YEARS IN REPAYMENT STATUS.—For purposes of paragraphs (1)(A) and (2), the number of years in which a borrower is in repayment status with respect to any IDEA loan shall be determined without regard to any year before the most recent year in which the borrower received an IDEA loan.

(5) EXTENSION OF REPAYMENT YEARS FOR MEDICAL INTERNS.—The number of years specified in paragraphs (1)(A) and (2) shall be increased by 1 year for each calendar year during any 5 months of which the individual is an intern in medicine, dentistry, veterinary medicine, or osteopathic medicine.

(d) DEFINITIONS.—For purposes of this section—

(1) MAXIMUM ACCOUNT BALANCE.—The term "maximum account balance" means the highest amount (as of the close of any calendar year) of unpaid principal and unpaid accrued interest on all IDEA loan obligations of a borrower.

(2) CURRENT ACCOUNT BALANCE.—The term "current account balance" means the amount (as of the close of a calendar year) of unpaid principal and unpaid accrued interest on all IDEA loans of a borrower.

(3) REPAYMENT STATUS.—A borrower is in repayment status for any repayment year unless—

(A) such borrower was, during at least 7 months of such year, an eligible student, as that term is defined in section 109(3) of the Income-Dependent Education Assistance Act of 1991; or

(B) such repayment year was the first year in which the borrower was such an eligible student and the borrower was such an eligible student during the last 3 months of such repayment year.

(4) IDEA LOAN.—The term "IDEA loan" means any loan made under part A of this title.

(e) PAYMENT OF AMOUNT OWING.—The Secretary shall prescribe by regulation the definition of a repayment year and the terms and conditions for making payments.

(f) FAILURE TO PAY AMOUNT OWING.—The Secretary shall prescribe by regulation the procedures to assess and collect the unpaid amount if an individual fails to pay the full amount required to be paid on or before the last date described in the regulations required by subsection (e)(1).

(g) LOANS OF DECEASED AND PERMANENTLY DISABLED BORROWERS; DISCHARGE BY SECRETARY.—

(1) DISCHARGE IN THE EVENT OF DEATH.—If a borrower of an IDEA loan 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.

(2) LIMITATION ON DISCHARGE.—The discharge of the liability of an individual under this subsection shall not discharge the liability of any spouse with respect to any IDEA loan made to such spouse.

(h) CREDITING OF COLLECTIONS; SPECIAL RULES.—

(1) CREDITING OF AMOUNTS PAID BY MARRIED BORROWERS.—Amounts collected under this section from a husband and wife both of whom are in repayment status shall be credited to the accounts of such spouses in the following order:

(A) first, to repayment of interest added to each account at the end of the preceding calendar year in proportion to the interest so added to the respective accounts of the spouses, and

(B) then, to repayment of unpaid principal, and unpaid interest accrued before such preceding calendar year, in proportion to the respective maximum account balances of the spouses.

(2) COMPUTATION OF ALTERNATIVE ANNUAL PAYMENT FOR INDIVIDUALS WHO HAVE ATTAINED AGE 55.—In the case of an individual who attains age 55 before the close of the calendar year ending in the repayment year, or of an individual whose spouse attains age 55 before the close of such calendar year, the progressivity factor applicable to the base amortization amount of such individual for such repayment year shall not be less than 1.0.

(3) INFLATION ADJUSTMENT IN COMPUTATION OF PROGRESSIVITY FACTOR.—

(A) IN GENERAL.—Not later than December 15 of 1996 and of each 3d calendar year thereafter, the Secretary shall prescribe tables which shall apply in lieu of the tables contained in subsection (b)(3)(A) with respect to the succeeding 3 calendar years.

(B) METHOD OF PRESCRIBING TABLES.—The table which under subparagraph (A) is to apply in lieu of the table contained in clause (i), (ii), (iii), or (iv) of subsection (b)(3)(A), as the case may be, shall be prescribed—

(i) by increasing each amount of adjusted gross income in such table by the cost-of-living adjustment for the calendar year, and

(ii) by not changing the progressivity factor applicable to the adjusted gross income as adjusted under clause (i).

If any increase under the preceding sentence is not a multiple of $10, such increase shall be rounded to the nearest multiple of $10 (or, if such increase is a multiple of $5 and is not a multiple of $10, such increase shall be increased to the next highest multiple of $10).

(C) COST-OF-LIVING ADJUSTMENT.—For purposes of this paragraph, the cost-of-living adjustment for any calendar year is the percentage (if any) by which—

(i) the CPI for the preceding calendar year, exceeds

(ii) the CPI for the calendar year 1995.

(D) CPI FOR ANY CALENDAR YEAR.—For purposes of subparagraph (C), the CPI for any calendar year is the average of the Consumer Price Index as of the close of the 12-month period ending on September 30 of such calendar year.

(E) CONSUMER PRICE INDEX.—For purposes of subparagraph (D), the term 'Consumer Price Index' means the last Consumer Price Index for all-urban consumers published by the Department of Labor.

(5) RULES RELATING TO BANKRUPTCY.—

(A) IN GENERAL.—An IDEA loan shall not be dischargeable in a case under title 11 of the United States Code.

(B) CERTAIN AMOUNTS MAY BE POSTPONED.—If any individual receives a discharge in a case under title 11 of the United States Code, the Secretary may postpone any amount of the portion of the liability of such individual on any IDEA loan which is attributable to amounts required to be paid on such loan for periods preceding the date of such discharge.

Mr. PETRI (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. FORD of Michigan. Mr. Chairman, I reserve a point of order against the gentleman's amendment.

Mr. PETRI. Mr. Chairman, I thank the chairman's indulgence so that I can give my explanation for the reason for the pressing need for the adoption of this amendment.

Mr. Chairman, reauthorization of the Higher Education Act has been called by some the

most important social legislation to come before the 102d Congress. I share this opinion. In the United States, we have the preeminent system of higher education in the world. Our job during this reauthorization is to keep it that way, and to make certain that all Americans have access to the system.

Everyone agrees that a well-educated citizenry benefits the Nation. Education is not only good in itself, contributing to a higher quality of life; and not only important to the smoother functioning of democracy; it is also investment in human capital that increases individual productivity, and therefore income.

However, in the case of postsecondary education people have a problem paying for those investments.

College and trade school tuitions keep rising and the middle class, in particular, is increasingly hard pressed to foot these bills, despite the fact that the education should pay off economically for most students. There is an array of Federal programs to help out, but they are focused on lower income families and are too expensive, wasteful, cumbersome, and even regressive.

The largest component of Federal student aid, the Stafford Student Loan Program, costs the taxpayers 28 cents for every dollar loaned out, but most of that cost does not benefit average students. Instead, it subsidizes banks, administrators, defaulters, and high-income graduates. The program will experience $3.6 billion of gross defaults this year.

Moreover, since no interest is charged while the student remains in school, those who go to school longest, and therefore have the highest later incomes, receive the biggest subsidies, while dropouts and students in short programs such as vocational programs receive no subsidies at all.

Common sense suggests there ought to be a better way, and there is. Along with Representative GEJDENSON and 82 other cosponsors, I introduced the Income-Dependent Education Assistance Act, or the IDEA Act for short.

IDEA would set up a supplementary direct student loan program, in which repayment would be based on the borrower's income after school, and be collected as personal income tax by the IRS. It is a natural extension of the principle that education represents, at least in part, an investment. Under IDEA, students pay for that investment out of its profits. And, under IDEA, the Government backs such investments and spreads the risks across the entire student population, for which the investments yield handsome returns on average.

IDEA offers enormous advantages.

First, it provides access to higher education financing to all students regardless of their parents' incomes.

Second, it provides a better deal for most students, while providing complete flexibility of repayment that accommodates life changes like unemployment, periods of child rearing, divorce or death of a spouse, low earnings right after school, or periods of low-wage public service employment.

Third, it sweeps away the whole question of deferments and forgiveness provisions that, under the current system, constitute an arbitrary, unfair, complex mess.

In addition to these advantages, IDEA would save immense amounts of money, possibly in the billions of dollars per year. IDEA virtually eliminates defaults, targets subsidies precisely, simplifies administration, and enjoys a lower cost of capital.

If we want to spend more money on Pell grants or other parts of the Higher Education Act, we've got to find savings somewhere, and IDEA is a perfect source because it would save these tremendous amounts while still providing a much better loan program than the one we've got now.

I understand that the administration has opposed the direct lending aspect of IDEA. I urge you not to be distracted. The difference between a guaranteed bank loan and a direct Federal loan is only bookkeeping. The effect on the economy is the same. IDEA has too many advantages to let a knee-jerk opposition to Federal borrowing stand in the way. We should apply the same principles that any private business would. We should be willing to borrow when we can make money doing it.

There will be several floor amendments to this bill that will advance the concept of IDEA. First, there will be a Ford-Coleman amendment requiring income-contingent loans to be offered in 20 percent of the institutions participating in the bill's $500 million per year direct loan pilot program.

In addition, I will offer two amendments supported by the American Council of Education, its major constituent organizations, and the administration.

The first amendment would authorize the Secretary of Education to purchase the loans of borrowers likely to go into default and offer those borrowers income-contingent repayment so they can avoid default and repay their obligations as they can afford it. The second would provide mandatory conversion of already defaulted loans into income-contingent repayment, pursuant to an agreement in the promissory notes of all new borrowers in the existing major loan programs. Both of these provisions would result in far greater collections on problem loans. They would establish the income dependent repayment principle for those who need it the most. Neither provision would go into effect unless the Secretary determined there was an effective collection mechanism in place and the provisions would save the Government money.

Finally, I am prepared to offer the full IDEA proposal, which would substitute income dependent loans for the current supplementary loans for students program.

All of these amendments have been drafted without reference to either the Treasury or Internal Revenue Service. Instead, they authorize the Secretary of Education to enter into agreements with private firms or other agencies of the Government as necessary to collect payments based on income. But, frankly, these amendments do contemplate using IRS collection, and that cannot happen without the consent of the Ways and Means Committee. At the very least, Ways and Means could amend another tax bill to prohibit IRS collection of student loan payments.

Therefore, although passage of any of these amendments will show important House support for the IDEA concept, further support from Ways and Means will be needed for actual implementation of these provisions.

In short, IDEA creates a loan program which increases access, reduces defaults, and makes repayment more manageable.

To the extent that subsidies are involved, they are progressive. And the money goes where it should go—to students who need it—rather than to bankers, defaulters, administrators, and the richest graduates.

In the process, IDEA frees up a great deal of Federal money which can be used for education grants or for deficit reduction. This is the kind of bold reform we should be looking at to lead American higher education into the next century.

Mr. BEREUTER. Mr. Chairman, this Member wishes to express his strong support for the amendment proposed by the distinguished gentleman from Wisconsin [Mr. PETRI], a member of the Education and Labor Committee, and the distinguished gentleman from Connecticut [Mr. GEJDENSON] that would create a supplemental student loan system that would allow for direct student loans with an income-contingent repayment system collected by the Internal Revenue Service [IRS].

The Income-Dependent Education Assistance Act or IDEA, as it is commonly known, is an innovative approach to solving the serious problems that exist within the guaranteed Student Loan Program. This Member is pleased to be a cosponsor of that legislation.

Under the income-dependent approach, former students would repay the loans based on their incomes after leaving school. Those with higher incomes after leaving school would be expected to repay relatively quickly at slightly higher effective interest rates which would help to subsidize those making lower incomes after school.

Mr. Chairman, as many of us know, one of the most serious flaws in the Student Loan Program is the high rate of default on the repayment of loans. One of the main advantages of the IDEA Program is that it would virtually eliminate student loan defaults. While there are a wide variety of reasons for defaults on student loans, a program that allows borrowers to repay their loans according to the amount of income earned is sure to be far more successful. These recaptured dollars could be funneled back into the system to assist other students. Solving the huge student loan default problem would be a major achievement of great benefit to American taxpayers.

Under IDEA, every student would be able to take loans for his or her education with complete confidence that repayment would be affordable, no matter what income the student ends up earning after leaving school. If the borrower loses a job or gets sick, the loan is rescheduled. The only way to avoid significant loan repayments would be to have a very low income for a very long time.

There are many advantages to this amendment: virtual elimination of defaults; lower cost of capital; and, simplified administration.

Mr. Chairman, this Member is very enthusiastic about the Petri-Gejdenson amendment to improve the current student loan system. Even if there are concerns of some possible features of the proposal which need to perfected, its beneficial elements would be a big improvement as a modification of supplement to the existing Federal student loan program.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Michigan [Mr. FORD] insist on his point of order?

Mr. FORD of Michigan. Mr. Chairman, I must unfortunately insist on the point of order.

Under section 303(a) of the Congressional Budget Act, it is not in order to consider any measure which creates entitlement authority or directs spending authority first effective in a fiscal year prior to the adoption of the budget resolution for that fiscal year.

The instant amendment offered by the gentleman from Wisconsin [Mr. PETRI], creates new spending authority first effective in fiscal year 1993 by creating a new education assistance loan program not already authorized in law.

Mr. PETRI. Mr. Chairman, I would ask at this point if the gentleman from Michigan [Mr. FORD] would withdraw his point of order, I will ask unanimous consent to withdraw my amendment.

Mr. FORD of Michigan. Mr. Chairman, I thank the gentleman for his assistance, and I withdraw my point of order.

The CHAIRMAN. The gentleman from Michigan [Mr. FORD] withdraws his point of order.

Mr. PETRI. Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

AMENDMENTS OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer two amendments, one to title VII and one to title XV, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. TRAFICANT: Page 579, line 15, strike the close quotation marks and following period and after such line insert the following new subsection:

"(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').".

At the end of the bill add the following new title:

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.

Mr. TRAFICANT (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TRAFICANT. Mr. Chairman, these are Buy America amendments and have been approved by both the chairman and the vice chairman on the minority side. They are consistent with existing law that anybody who violates them would be handcuffed to a chain-link fence and flogged. I ask that the committee accept them.

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Chairman, we have examined the gentleman's amendments, and we find them to be in great order. We recommend that they be adopted.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Ohio [Mr. TRAFICANT].

The amendments were agreed to.

AMENDMENT OFFERED BY MR. GORDON

Mr. GORDON. Mr. Chairman, I offer an amendment which has appeared in the RECORD to page 685, line 25.

The Clerk read as follows:

Amendment offered by Mr. GORDON: Page 685, line 25, strike "and", on page 686, line 5, strike out "and", and after such line insert the following:

"(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

Mr. GORDON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

□ 1840

Mr. GORDON. Mr. Chairman, this is the final amendment that my colleagues, the gentlewoman from New Jersey [Mrs. ROUKEMA] and the gentlewoman from California [Ms. WATERS] and I have introduced in an effort to try to bring more integrity and accountability to the financial aid program.

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. GORDON. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Chairman, we have examined the gentleman's amendment. We think it is consistent with the bill, and the majority is willing to accept it.

Mr. GORDON. Mr. Chairman, let me just quickly state the purpose of the bill.

This amendment addresses the ability of the Secretary of Education to require the accrediting agencies to use reasonable criteria when dealing with and approving member schools.

The bill as currently written would not allow the Secretary to require three important factors to be considered in the accrediting process. Those are student complaints, default rates, and inspector general's audits and program reviews.

If we are going to be ready to point the finger at the Secretary, we also have to give the tools to the Secretary to get the job done.

Our amendment in a clear and simple way corrects this problem.

I thank the committee chairman for accepting this amendment, and I commend the gentleman for the good job that he and the committee has done.

Mrs. ROUKEMA. Mr. Chairman, will the gentleman yield?

Mr. GORDON. Certainly, I yield to my colleague, the gentlewoman from New Jersey.

Mrs. ROUKEMA. Mr. Chairman, as we are coming to the end of this debate tonight, I want to congratulate the gentleman from Tennessee. He is not a member of the committee, but he understands these issues completely and has delved into them in depth. I want to congratulate the gentleman for his contribution. He has really helped in measurable ways.

Mr. GORDON. Reclaiming my time, Mr. Chairman, I thank the gentlewoman and say that it has been a pleasure to work with her. I think we have made this a little bit better.

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. GORDON. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Chairman, we are happy to accept the amendment on this side.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. GORDON].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ROHRABACHER

Mr. ROHRABACHER. Mr. Chairman, I offer an amendment that was printed in the RECORD under the rule.

The Clerk read as follows:

Amendment offered by Mr. ROHRABACHER: —Page 700, strike lines 21 and 22 and insert the following:

(a) FINDINGS.—The Congress finds that—

(1) racial discrimination is indefensible, improper, and immoral;

(2) it has been reported that many institutions of higher education have instituted admissions quotas designed to limit the admission of Asian-Americans;

(3) these restrictive quotas are similar to those instituted in the 1920's to limit the admission of Jewish students;

(4) statistics show that Asian-American students face greater obstacles in their attempts to attend institutions of higher education than students of other races;

(5) The Office of Civil Rights of the Department of Education is conducting investigations at the University of California at Berkeley and the University of California at Los Angeles to determine whether the schools in violation of title VI (relating to nondiscrimination in federally assisted programs) of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-6); and

(6) the Chancellor of the University of California at Berkeley apologized to Asian-Americans for an admission process of the school which had a negative impact on the admission of Asian-Americans.

—Page 701, line 2, insert before the semicolon the following: "because of their race in violation of Regents of the University of California v. Bakke, 438 U.S. 265 (1978)".

Mr. ROHRABACHER. Mr. Chairman, this is the antiquota in college admissions amendment. It should not be controversial. It says it is the sense of Congress that the Civil Rights Act of 1964 and the Bakke Supreme Court decision should be vigorously enforced to stop the use of quotas in college admissions. Everyone says they oppose quotas—here is a chance to go on record against them.

Yes, the use of quotas is going on and the civil rights enforcement authorities are not being diligent in stopping it. That is why this amendment is needed.

If you do not think quotas are alive and well, look at this blowup of a portion of a letter printed in the Los Angeles Times received by an Asian-American applicant to the University of California at Berkeley Law School. The applicant is told "you are now in the bottom half of the Asian waiting list." The words "bottom" and "Asian" are typed into blanks on a form. This is outrageous institutionalized racial discrimination.

In October 1989 I met with Dean Jesse Choper of the Berkeley Law School to discuss admission policies. He told me that for years he had been reserving 23–25 percent of his entering class for members of certain races. That is a quota if I ever heard of one.

I asked the Office for Civil Rights of the Education Department to look into this situation. In early April 1990, about 6 months later, they wrote me saying they were initiating a full scale investigation. It is now 2 years later and no letter of findings has been issued. We believe this report has been sat on.

This is not vigorous civil rights enforcement, and is a classic example of why my amendment is needed.

I predict that when this letter of findings is released it will show a violation of title VI of the Civil Rights Act of 1964 by Berkeley Law School.

Another example: The investigation of UCLA undergraduate and graduate admissions policies started 4 years ago in January 1988.

The letter of findings in the undergraduate investigation has not been issued. The graduate school letter of findings found that the graduate math program did violate the civil rights of Asian-Americans. To date OCR has failed to get UCLA to agree to a plan to eliminate this violation, nor have they initiated enforcement action by referring the case to the Justice Department, nor has it taken its own administrative enforcement action. After 4 years—no finding on one part of this investigation and 18 months of no enforcement against a civil rights violator.

OCR has at least three other quota investigations that are not completed. These are anywhere from 2 years to 6 months old with no findings.

My amendment is designed to end the delays in providing justice and equal treatment for Asian-Americans and others.

The Yale Law Journal of January 1989 carried an article entitled "Equal Access of Asian-Americans." It pointed out that Brown University for several years in the middle 1980's had a 14 percent admit rate for Asians, while for caucasians it was 19 percent "* * * suggesting the existence of an upper limit quota. Similar disparities in admit rates occurred at Harvard and Stanford * * *" In May 1989 the new dean of admissions at Brown on the ABC-TV program "20/20" virtually admitted there had been an upper limit quota.

In April 1989 UC-Berkeley Chancellor Ira Heyman apologized to Asian-Americans for the admission policies during his tenure saying "* * * decisions made in the admissions process indisputably had a disproportionate impact on Asians." This is academic gobbledygook for "We discriminated." UC-Berkeley slightly changed their admissions policies, but some say they still are discriminating. In the spring of 1990 Prof. Vincent Sarich wrote a 6-page open letter to his faculty colleagues entitled "The Institutionalization of Racism at the University of California at Berkeley." He stated:

The Berkeley administration has thus increasingly mocked their own nondiscrimination statement * * *.

The CHAIRMAN. The time of the gentleman from California [Mr. ROHRABACHER] has expired.

Mr. DOOLITTLE. Mr. Chairman, I move to strike the last word.

I yield to the gentleman from California.

□ 1850

The CHAIRMAN. The gentleman from California [Mr. DOOLITTLE] is recognized for 5 minutes.

Mr. DOOLITTLE. Mr. Chairman, I yield the balance of my time to the gentleman from California.

Mr. ROHRABACHER. I thank the gentleman.

Mr. FORD of Michigan. Mr. Chairman, I would call the Chair's attention to the fact that a member of the committee was standing waiting for recognition when a nonmember of the committee was recognized. I understand what is going on, but I am putting the gentleman on notice that we will watch the rules now, I say to the gentleman from California, and if his purpose is to just drag this out, we are not going to let him do it.

Mr. ROHRABACHER. Well, obviously the purpose is not to drag it out. This is a very important issue that could not be handled in the few minutes I was given to debate this. And I obviously would like a few extra minutes to finish my statement. That was it. I am sorry if that stepped on anybody's toes, and I apologize if it did.

With your permission, I would like to finish the statement.

Mr. Chairman, about this time Arthur Hu filed a complaint with the Office of Civil Rights about the Berkeley undergraduate admissions policies. Two years later the Office of Civil Rights hasn't finished investigating this one either. The winter 1991 edition of the American Scholar contains an article entitled "The New Segregation on Campus." University of California-Berkeley Prof. Ernest Koeningsburg who sat on admissions committees is quoted as saying that student with a 3.5 grade point average and a SAT of 1,200 would have a virtual 100 percent chance of admission if he or she were of a certain race but if such a student were Asian or white the chances would be less than 5 percent. These insiders verify that in college admissions there is racial discrimination.

Lest we lose sight of what this debate is all about let's look at the case of Berkeley applicant Jennifer Riel.

According to the February 10, 1992 San Diego Union-Tribune Jennifer was her high school valedictorian with a 4.5 grade point average due to honors courses. She was also cheerleading captain. She applied to University of California-Berkeley. She did not get in. But at least 5 others students from her high school with lesser achievements did get in.

This is the human tragedy of quotas. I guess the Asian or Filipino quota was full: or more likely quotas for other races were not filled and therefore the individual achievements of super student Jennifer Riel had to be sacrificed by the elitists of academia on the altar of some ideal system of racial proportionality.

This is unfair, illegal, and must be stopped. My amendment will put Congress on record against quotas in college admissions. It calls for strong enforcement of the Civil Rights Act of 1964 and the Bakke decision of the Supreme Court of the United States.

The bottom line is quotas. If you support racial waiting lists like this, if you think it is fair for colleges to admit high school students with lesser

grades and accomplishments and not admit the valedictorian, if you oppose racial quotas, vote for my amendment.

Let me finish with the words of Justice Lewis Powell from his opinion in the Bakke decision. He said:

> Preferring members of any one group for no reason other than race or ethnic origin is discrimination for its own sake. This the Constitution forbids.

After stating that equal protection guarantees were personal rights, Justice Powell concluded:

> The guarantee of equal protection cannot mean one thing when applied to one individual and something else when applied to a person of another color. If both are not accorded the same protection, then it is not equal.

If you oppose quotas and believe in the concept of judging people on their individual merits, vote for my amendment.

Mr. ALLEN. Mr. Chairman, will the gentleman yield?

Mr. DOOLITTLE. I yield to the gentleman from Virginia.

Mr. ALLEN. I thank the gentleman for yielding.

Mr. Chairman, I would like to ask the gentleman: This amendment seems to be focused solely on racial discrimination and quotas and racial discrimination. I would ask the gentleman, does this amendment affect any State policies which have to do with wanting to have diversity of education as far as gender? Does this reflect the alleged gender discrimination?

Mr. ROHRABACHER. Mr. Chairman, will the gentleman yield?

Mr. DOOLITTLE. I yield to the gentleman from California.

Mr. ROHRABACHER. I thank the gentleman for yielding

Mr. Chairman, no, the purpose is not that; the purpose is to focus on discrimination, quotas of racial discrimination that particularly affect Asian-Americans but may also affect other citizens. But it is not focused at all on gender discrimination.

The CHAIRMAN. The time of the gentleman from California [Mr. DOOLITTLE] has expired.

Mrs. MINK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I appreciate very much any person's sincere interest for the welfare of Asian-Americans all over the country, and we do have some very enormous, serious problems. So, when we have the opportunity to address specific attention to these problems, I feel a genuine warmth and gratitude to the people who will help us raise these issues.

Mr. Chairman, this is not one of those occasions in which I am here to express any gratitude for the singling out of Asian-Americans and their concerns in public education.

While they have serious problems in terms of their attendance at schools, their admission policies, I believe that the committee draft, which is being presented here for enactment this evening, carefully addresses this issue in a universal way without singling out any single racial, ethnic group for special attention.

Asian-Americans merely want to be part of this country and accorded the same attention and respect and enforcement of the civil rights laws of this country.

We do not want to be exploited and used in order to destroy the very heart of the civil rights laws which have made it possible for Asian-Americans to achieve in this land and to go to college.

What this amendment does is more than make a list of findings, using Asian-Americans as a device to raise this issue. What it does is to destroy the very heart of affirmative action by asking this Congress to incorporate as a definition for discrimination the findings of the Supreme Court in the Bakke case.

Mr. Chairman, I ask this House to dismiss this amendment, as it did in 1989 when this same gentleman offered this amendment for consideration. It exacerbates racial tensions in this country; Asian-Americans resent being used and focused upon to try to solve other problems that this Congress must need to address in other ways.

We want to see equity for every segment of our society, African-Americans, Hispanics, native Americans; all of us share the same equal burdens and we want to support the concepts of equality for minorities in education, and I ask this House to vote down this mischievous amendment and support the committee draft.

Mr. GOODLING. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have real concerns with this amendment, not because I support quotas—I certainly do not—but because the amendment misleadingly addresses this troublesome issue almost exclusively in the context of Asian-Americans. Quotas on the basis of race are wrong across the board, and I do not believe that this Congress should be elevating concern with their adverse effect on one group over their adverse effects on others.

Second, and I do not want to nitpick here, but we are writing legislation with national implications—I have to question whether statements such as "the Chancellor of the University of California at Berkeley apologized to Asian-Americans for an admission process of the school which had a negative impact on the admission of Asian-Americans" really belong in findings by Congress. If this statement is intended to embarrass someone, it may do that, but should it serve as a basis for congressional action?

Third, I simply want to note that in referencing the Bakke case, this amendment runs the risk of signaling congressional approval of the case. Perhaps this is good, but we need to understand the full implications of this, and I am sure that we do. Bakke is generally interpreted to prohibit universities from reserving admission slots on the basis of race, but it also is generally interpreted to permit race-preferential treatment, where race is only one of several factors to be considered, when the university is attempting to achieve diversity. I realize that the author of this amendment was probably not attempting to sanction this other aspect of the Bakke case, but this may be the effect of codifying the case through reference in a statute. Bakke raises many important issues which should not be passed on lightly.

Finally, I want to emphasize that the bill before us already states that racial discrimination is "indefensible, improper and immoral," that institutions of higher learning should seek to ensure that applicants are not illegally excluded from admission, that the Attorney General shall investigate allegations of illegal discrimination, and that the Secretary of Education should conclude, as soon as possible, comprehensive reviews, and initiate further reviews of schools alleged to have illegally discriminated. Perhaps this language is not perfect, but it seems fairly comprehensive.

□ 1900

Mr. MILLER of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman and members of the committee, I would hope that the Members were listening while the gentleman from Pennsylvania [Mr. GOODLING] spoke because I think he raised the crucial points about this amendment.

This amendment is essentially being offered as a trick. It is being offered as a trick because it is trying to suggest that, because some Asian-Americans did not get into a particular campus of the University of California, that therefore there is an intentional design to discriminate against Asian-Americans.

The fact is, a lot of people do not get into campuses of the University of California that they desire to go to because the University of California is a statewide system. It takes the top 12½ percent of the students in the State, and then those students are dispersed throughout that system, and many, many of my constituents who live next door to the UC Berkeley are not able to get in. They go to Santa Barbara, they go to UCLA, UC Irvine. That is the nature of the system.

So, to suggest that, to suggest that some outstanding student did not get to Berkeley, is not to suggest that she did not get into the UC system. Why? Because, as the gentleman from Penn-

sylvania [Mr. GOODLING] pointed out, and those of my colleagues who represent statewide systems will understand, Bakke and the universities desire to have a diversity of student body, all of whom are qualified, none of whom have been discriminated against other than the convenience with respect to whether they got to go to the school in the north, or the south, or the middle of the State. But that is what we said we want universities to do, is to have a desire. Someone cannot be excluded from the campus because they are Asian, or because they are black, or because they are white. It is simply a question of trying to put together a community that represents the makeup of the State of California and representing that kind of diversity. That is allowed under the law.

Mr. Chairman, this is really an attack to try to reintroduce quotas to the political year and to try to attack the ability of affirmative action to go out and to reach out for these people.

It is interesting that the gentleman from California [Mr. ROHRABACHER] raises this on behalf of Asian-Americans; Representatives here in Congress oppose the amendment. The current chancellor of the UC system happens to be an Asian-American, has spoken on this issue, and has directed the university to correct those problems. The problem the gentleman from California [Mr. ROHRABACHER] has is with his own administration. Apparently they are not moving fast enough to process these claims. With the passage of this amendment, if they will not enforce the current law, what makes him think they will enforce this law? The problem is their reviews. That is this administration. I do not know what their problem is. It is not the university's problem, and so the amendment does not address the problem that the gentleman from California [Mr. ROHRABACHER] says that he has.

Mr. DELAY. Mr. Chairman, I ride in support of the amendment.

Mr. ROHRABACHER. Mr. Chairman, will the gentlemen yield?

Mr. DELAY. I yield to the gentleman from California, but I ask him to leave me time to make my statement.

Mr. ROHRABACHER. Mr. Chairman, I sure will.

Mr. Chairman, this is about racial quotas. That is what this debate is all about, and, if my colleagues will just listen to the words of the last speaker, they will know that is what it is all about, people trying to put together on our major colleges and universities some predetermined racial system based on racial decisions making of how many people of what race are going to be in our universities. That is illegal, and it should be illegal because it affects individuals' lives by decisions that are based on race.

The reason why this is so important to the Asian-American community is that they are the ones who are most highly impacted in a negative way by this type of racism that is being perpetuated on our major universities. The fact is the Asian-Americans are not getting the type of enforcement that other races would get.

I just explained in my opening remarks case after case after case where Asian-Americans complained, and, instead of rapid enforcement of the law, what we have is the Office of Civil Rights sitting on these cases. This amendment will require that the Office of Civil rights follow through vigorously on the complaints.

Mr. Chairman, if my colleagues vote against it, they are voting in favor of permitting them to ignore complaints of Asian-Americans.

Mr. DELAY. Mr. Chairman, I thank the gentleman from California [Mr. ROHRABACHER].

Mr. Chairman, today I ask you and the rest of the Members of this Chamber to take a stand to protect the futures of bright young Americans all across this land, young people who need our help to protect themselves against the discrimination which threatens to rob them of all they have worked so hard to achieve.

Having strived throughout elementary and high school to maintain the best of grades, high school seniors do not expect to be refused admission to the best universities because of their race or nationality. Yet this is exactly what is taking place in institutions of higher education across the country. Admissions offices, in the hope of achieving racial proportionality, are discriminating against students who meet the most stringent of academic requirements.

We in Congress must stand in opposition to such practices and send a clear message to the academic institutions of this country that their job is to accept students that are qualified, regardless of their race or color, and educate them. Their purposes is not to play policymaker. We in Congress need to take action now because the Department of Education has failed to thoroughly address this very pressing issue.

As long ago as the beginning of 1989, the Los Angeles Times revealed that the University of California at Berkeley Law School has been using racially categorizing waiting lists. Later in the year, Dean Choper of Berkeley Law School admitted that he reserves 23–25 percent of the school's admission slots for members of certain races, and that this policy has been in place for almost 10 years.

This is absolutely ridiculous. In light of the current tension regarding civil rights and the longstanding belief that everyone should be treated equally, it is hard for me to understand how an educational institution in America can get by with setting clear admission standards solely on the basis of race. One would think that following all the publicity that surrounded the revelations at Berkeley Law School, that academic admissions offices across the country would have realized that the American public would not stand for such discrimination. Initially, university officials apologized for their school's use of discriminatory practices. Yet it is clear that 3 years later, the academic elitists have done precious little to correct the situation. After investigating Berkeley for 2 years, the Department of Education has still issued no letter of findings.

Congress can no longer sit by and watch as the futures of our talented young people hang in the balance, a balance that has long been tilted against them. No, it is time for this institution to send a clear message to the admissions committees across the United States that we will not tolerate this any more.

Mr. Chairman, in order to send such a message, I strongly urge the Members of this Chamber to adopt Congressman ROHRABACHER'S amendment to the higher education reauthorization bill.

Mr. MINETA. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I rise in strong opposition to the Rohrabacher amendment and I urge my colleagues to join me in opposition.

At first glance, this amendment deals with a serious concern of the Asian-American community: the possibility that universities may place caps on Asian-American admissions.

This is a longstanding priority for our community, but I strongly object to the implication of the gentleman's amendment that this is a problem only for Americans of Asian or Pacific Island ancestry.

Barriers to Asian-Americans, Mr. Chairman, are barriers to African-Americans, to Hispanic-Americans, and to all Americans.

As reported by the Education and Labor Committee, under the guidance of Chairman WILLIAM FORD, H.R. 3553 strongly condemns racial discrimination as indefensible, improper, and immoral.

The committee bill calls on colleges to review their admissions policies to ensure equity, and it calls on the Attorney General to investigate allegations of discrimination under the Civil Rights Act.

The language of the committee bill is inclusive of all Americans. There is no need to separate out Americans of Asian ancestry, as the gentleman's amendment would do.

The implication of the gentleman's amendment is that Asian-Americans are harmed by university programs to recruit and expand educational opportunities for African-Americans and Hispanic-Americans.

Mr. Chairman, that is simply not the case and it is not the position of the Asian Pacific American community. Both the Organization of Chinese-Americans and the Japanese-American Citizens League have expressed their strong opposition to the gentleman's amendment.

There is no need to pit one group of Americans against another, as I fear the gentleman's amendment would do.

The amendment is unnecessary, and it is potentially divisive.

I urge my colleagues to join me in opposing it.

□ 1910

Mr. GUNDERSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I know the hour is late and I did not want to speak, but I think it is important, even though this amendment is offered by my friend, the gentleman from California [Mr. ROHRABACHER], that the Members understand what we have in the bill already.

Mr. Chairman, I would call the attention of Members to page 700 and 701 of the bill. We take the concepts of the Rohrabacher amendment, but we do not make them biased for any race, gender, or ethnic background.

The fact is, we in this bill already say it is the sense of the Congress that institutions of higher education must review their admissions policies; No. 2, the Attorney General should investigate allegations of illegal racial discrimination in the admissions policies of institutions; and, No. 3, that the Secretary of Education should conclude as soon as possible the compliance reviews on admissions policies, and, when necessary, initiate additional reviews of admissions policies of schools alleged to have illegally discriminated on the basis of race.

Mr. Chairman, I want to secondly call to the attention of Members the amendment before us, because the amendment before us does put forth a bias with regard to Asian-Americans. It assumes, first, that there are many institutions of higher education that have instituted quotas to limit the admission of Asian-Americans.

Mr. Chairman, I have to tell you, I want to see the data that there are many institutions in this country that have done that before we say so. Some, even one is too many, but we ought not to say in legislative form that kind of conclusion without data.

Second, to suggest that Asian-Americans face a greater obstacle in their attempt to attend institutions of higher education than students of other races also can be contested.

Again, I am suggesting that whether you be black or white, whether you be male or female, whatever your ethnic or racial background is, that ought to be considered. But I do not think in legislative statute we ought to put that kind of conclusion for which we do not have a basis.

Third, and perhaps most important, and I really want the attention of Members on this point, especially the attention of my Republican colleagues, because we have not held one hearing, not one hearing on the whole impact of legislating or referencing in statue the Bakke case.

That is what this amendment does. By referring statutorily to the Bakke case, we do two things: On the one hand you say that there cannot be quotas in admission policies. I suspect everyone here agrees with that. But at the same time, we also note that the Bakke case does allow preferences to make race, ethnic background, or general a plus in considering enrollment.

We have not held a hearing on that issue. I do not know that anybody on the Committee on Education and Labor nor anybody in Congress is ready to determine whether that should or should not be statutorily inscribed, as it would be if this amendment were adopted.

Mr. Chairman, I would plead with my colleagues, look at what we have done, look at the implications of the amendment before you, and I think the conclusion you will come to is the conclusion we have come to on the committee on a bipartisan basis, that now is not the time and this is not the wording that we should use.

Mr. Chairman, unfortunately, I encourage Members to reject the amendment before us.

Mr. MATSUI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would just like to tell Members of this body that this issue should not really be before us. I think this issue is divisive. I think this issue tells us what is wrong to a large extent with this institution and what is wrong with the country.

The gentleman from Michigan [Mr. FORD], the chairman of the Committee on Education and Labor, has put in his legislation the following language:

> The Congress finds that racial discrimination is indefensible, improper, and immoral. It is the sense of Congress that institutions of higher education should review their admissions policies and, if necessary, revise them to ensure that applicants are not illegally excluded from admission.

Mr. Chairman, I think that says it all. Now, why are we debating this issue? The reason we are debating this issue right now is not because we want to protect Asian-Americans. In fact, the Asian-American community, believe it or not, the Japanese-American Citizens League—the largest Japanese-American organization in the country—has come out against the Rohrabacher amendment. The Organization of Chinese-Americans, the largest Chinese-American organization in the country, has come out against the Rohrabacher amendment. The gentleman from California [Mr. MINETA], the gentlewoman from Hawaii [Mrs. MINK], and myself have come out against this amendment.

The fact of the matter is this amendment is divisive. It will pit Asian-Americans against African-Americans and Hispanics, and we all know that.

The fact of the matter is, the University of California at Berkeley, the young lady that the gentleman was referring to, still would have been accepted in 1 of the other 11 university campuses. What it is, is the university has a policy of promoting diversity among the 12 campuses. She might not have gotten into Berkeley, but she would have gotten into one of the others. They have a policy of picking 12.5 percent of the freshman class of all the high school students. As a result of that, it really is not a major problem.

Mr. Chairman, let me conclude by making this observation: The fact of the matter is, as I said, this issue should not have been brought before us in this body today. We have a lot of other things to be working on. We do not need to create division among different ethnic groups. I am afraid that that is exactly what this amendment does. Whether the author of this amendment intended it or not, it creates division. Frankly, I have to tell you that many of us resent that.

Mr. CAMPBELL of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I ask for the attention of Members. I speak from my heart. This is a very, very difficult issue.

Mr. Chairman, I stand in the well as one of the few members of my party who favored the civil rights bill, from the start. I am standing in the well as a member of my party who urged my party to support the civil rights bill, and eventually it did. And I stand in the well as a Member of this House who is also a member of a faculty of a major university in a great State, the State of California. I would like to share what I have seen as a member of that faculty. I had a group of students. I put them into pairs once to do an exercise. I asked to see them from time to time about how well they were doing.

One time one member of the pair could come and the other could not. I said, "How are you doing? And how is Joe?" Joe was the other partner.

That one student said to me, "You know, Joe is doing great. He is one of the best minority students I have ever worked with.

I thought, my God, what are we teaching our children? We are teaching them to make racial divisions, to make a judgment, that this student was good—for a minority student—he was good.

□ 1920

This was an unwitting lesson. We did not intend to teach him that, but that is what we taught him.

I stand in the well, having been law clerk to Justice Byron White the year the Bakke case was decided in the U.S. Supreme Court. I read every word of the legislative history of the Civil Rights Act of 1964 so as to advise the Justice for whom I clerked on that case.

As I read that history, time and time again, what I heard from people whose names ring out in history, Hubert Humphrey, Morris Udall, was that we were intending to create a colorblind law, a rule that would prohibit the use of race so that individuals would not be held back because of an accident of their birth.

I stand in the well tonight as an individual who is old enough to have the words of Martin Luther King ringing in my ears and in my heart, urging my colleagues that our children be judged not on the color of their skin but on the content of their character.

I urge support for the Rohrabacher amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. ROHRABACHER].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. ROHRABACHER. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. Pursuant to the provisions of clause 2 of rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The Chair will announce this is a regular quorum call followed by a 5-minute vote.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 60]

ANSWERED "PRESENT"—367

Abercrombie	Beilenson	Bruce
Ackerman	Bennett	Bryant
Alexander	Bentley	Bustamante
Allard	Bereuter	Byron
Allen	Berman	Callahan
Anderson	Bilbray	Camp
Andrews (ME)	Bilirakis	Campbell (CA)
Andrews (NJ)	Blackwell	Campbell (CO)
Andrews (TX)	Boehlert	Cardin
Annunzio	Bonior	Carper
Anthony	Borski	Carr
Applegate	Boucher	Chandler
Aspin	Brewster	Clay
Atkins	Brooks	Clement
Bacchus	Broomfield	Clinger
Barnard	Browder	Coble
Bateman	Brown	Coleman (MO)
Coleman (TX)	Hopkins	Oakar
Collins (IL)	Horn	Oberstar
Collins (MI)	Horton	Obey
Combest	Houghton	Olver
Condit	Hoyer	Ortiz
Conyers	Hubbard	Orton
Cooper	Huckaby	Owens (UT)
Costello	Hughes	Oxley
Cox (CA)	Hunter	Packard
Cox (IL)	Hutto	Pallone
Coyne	Hyde	Panetta
Cramer	Inhofe	Parker
Crane	Ireland	Patterson
Cunningham	Jacobs	Paxon
Darden	James	Payne (NJ)
de la Garza	Jefferson	Payne (VA)
DeFazio	Johnson (SD)	Pease
DeLauro	Johnson (TX)	Pelosi
DeLay	Johnston	Penny
Dellums	Jones (GA)	Perkins
Derrick	Jones (NC)	Peterson (MN)
Dickinson	Jontz	Petri
Dicks	Kanjorski	Pickett
Dingell	Kaptur	Pickle
Dixon	Kasich	Porter
Dooley	Kennedy	Poshard
Doolittle	Kildee	Price
Dorgan (ND)	Kleczka	Quillen
Dornan (CA)	Klug	Rahall
Downey	Kolbe	Ramstad
Dreier	Kopetski	Rangel
Duncan	Kostmayer	Ravenel
Durbin	Kyl	Ray
Dymally	LaFalce	Reed
Early	Lagomarsino	Regula
Eckart	Lancaster	Rhodes
Edwards (CA)	Lantos	Richardson
Edwards (OK)	LaRocco	Riggs
Edwards (TX)	Leach	Rinaldo
Emerson	Lehman (CA)	Ritter
Engel	Lent	Roe
English	Levin (MI)	Roemer
Erdreich	Lewis (CA)	Rogers
Espy	Lewis (FL)	Rohrabacher
Evans	Lewis (GA)	Ros-Lehtinen
Fascell	Lightfoot	Rose
Fawell	Lipinski	Rostenkowski
Fazio	Livingston	Roth
Fields	Lloyd	Roukema
Fish	Long	Rowland
Flake	Lowery (CA)	Roybal
Foglietta	Lowey (NY)	Sabo
Ford (MI)	Luken	Sanders
Ford (TN)	Machtley	Sangmeister
Franks (CT)	Manton	Sarpalius
Frost	Markey	Savage
Gallegly	Marlenee	Sawyer
Gallo	Martin	Saxton
Gaydos	Matsui	Schaefer
Gejdenson	Mavroules	Scheuer
Gekas	Mazzoli	Schiff
Gephardt	McCloskey	Schroeder
Geren	McCollum	Schulze
Gibbons	McCurdy	Schumer
Gilchrest	McDade	Sensenbrenner
Gillmor	McDermott	Sharp
Gilman	McGrath	Shaw
Gingrich	McHugh	Shays
Glickman	McMillan (NC)	Shuster
Gonzalez	McMillen (MD)	Sikorski
Goodling	McNulty	Skaggs
Gordon	Meyers	Skeen
Goss	Mfume	Slattery
Grandy	Michel	Slaughter
Green	Miller (CA)	Smith (FL)
Guarini	Miller (OH)	Smith (IA)
Gunderson	Mineta	Smith (OR)
Hall (OH)	Mink	Snowe
Hall (TX)	Moakley	Solarz
Hamilton	Molinari	Solomon
Hammerschmidt	Mollohan	Spence
Hancock	Montgomery	Spratt
Hansen	Moody	Staggers
Harris	Moorhead	Stallings
Hastert	Moran	Stearns
Hatcher	Morella	Stokes
Hayes (IL)	Murphy	Studds
Hayes (LA)	Murtha	Stump
Hefley	Myers	Sundquist
Hefner	Nagle	Swett
Henry	Natcher	Swift
Hertel	Neal (MA)	Synar
Hoagland	Neal (NC)	Tallon
Hobson	Nichols	Tanner
Hochbrueckner	Nowak	Tauzin
Holloway	Nussle	Taylor (MS)
Taylor (NC)	Vento	Wise
Thomas (WY)	Visclosky	Wolf
Thornton	Volkmer	Wyden
Torres	Vucanovich	Wylie
Towns	Walker	Yates
Traficant	Walsh	Young (AK)
Unsoeld	Waters	Zeliff
Upton	Weber	Zimmer
Valentine	Weldon	
Vander Jagt	Wheat	

□ 1942

The CHAIRMAN pro tempore (Mr. FRANK of Massachusetts). Three hundred sixty-seven Members have answered to their name, a quorum is present, and the Committee will resume its business.

RECORDED VOTE

The CHAIRMAN pro tempore. The pending business is the demand of the gentleman from California [Mr. ROHRABACHER] for a recorded vote.

A recorded vote was ordered.

The CHAIRMAN pro tempore. Pursuant to the previous announcement by the Chair, this vote will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 94, noes 276, not voting 64, as follows:

[Roll No. 61]

AYES—94

Allen	Holloway	Petri
Bateman	Hopkins	Quillen
Bentley	Hunter	Ramstad
Bereuter	Hyde	Ravenel
Broomfield	Inhofe	Rhodes
Camp	Ireland	Riggs
Campbell (CA)	Johnson (SD)	Ritter
Coble	Kolbe	Rogers
Coleman (MO)	Kyl	Rohrabacher
Combest	Lagomarsino	Ros-Lehtinen
Cox (CA)	Lewis (CA)	Roth
Crane	Lightfoot	Schiff
Cunningham	Lipinski	Schulze
DeLay	Livingston	Sensenbrenner
Doolittle	Lowery (CA)	Solomon
Dreier	Marlenee	Stearns
Duncan	McCollum	Stump
Emerson	McGrath	Sundquist
Fawell	McMillan (NC)	Taylor (NC)
Fields	Meyers	Thomas (WY)
Gallegly	Michel	Upton
Gillmor	Molinari	Vander Jagt
Gingrich	Moody	Vucanovich
Goss	Moorhead	Walker
Grandy	Moran	Weber
Green	Myers	Weldon
Hammerschmidt	Neal (NC)	Wolf
Hancock	Nichols	Young (AK)
Hastert	Oxley	Zeliff
Hefley	Packard	Zimmer
Henry	Paxon	
Hobson	Penny	

NOES—276

Abercrombie	Bonior	Collins (IL)
Ackerman	Borski	Collins (MI)
Alexander	Brewster	Condit
Allard	Brooks	Conyers
Anderson	Browder	Cooper
Andrews (ME)	Brown	Costello
Andrews (NJ)	Bruce	Cox (IL)
Andrews (TX)	Bryant	Coyne
Annunzio	Bustamante	Cramer
Anthony	Byron	Darden
Applegate	Callahan	de la Garza
Aspin	Campbell (CO)	DeFazio
Atkins	Cardin	DeLauro
Bacchus	Carper	Dellums
Barnard	Carr	Derrick
Beilenson	Chandler	Dickinson
Bennett	Chapman	Dicks
Bilbray	Clay	Dingell
Bilirakis	Clement	Dixon
Blackwell	Clinger	Dooley
Boehlert	Coleman (TX)	Dorgan (ND)

Downey	Kleczka	Rahall
Durbin	Klug	Rangel
Dymally	Kopetski	Ray
Early	Kostmayer	Reed
Eckart	LaFalce	Regula
Edwards (CA)	Lancaster	Richardson
Edwards (OK)	Lantos	Rinaldo
Edwards (TX)	LaRocco	Roe
Engel	Leach	Roemer
English	Lehman (CA)	Rose
Erdreich	Lent	Rostenkowski
Espy	Levin (MI)	Roukema
Evans	Lewis (FL)	Rowland
Fascell	Lewis (GA)	Roybal
Fazio	Lloyd	Sabo
Fish	Long	Sanders
Flake	Lowey (NY)	Sangmeister
Foglietta	Luken	Sarpalius
Ford (MI)	Machtley	Savage
Ford (TN)	Manton	Sawyer
Frank (MA)	Markey	Saxton
Franks (CT)	Martin	Schaefer
Frost	Matsui	Scheuer
Gallo	Mavroules	Schroeder
Gaydos	Mazzoli	Schumer
Gejdenson	McCloskey	Serrano
Gekas	McCurdy	Sharp
Gephardt	McDade	Shaw
Geren	McDermott	Shays
Gibbons	McHugh	Shuster
Gilchrest	McMillen (MD)	Sikorski
Gilman	McNulty	Skaggs
Glickman	Mfume	Skeen
Gonzalez	Miller (CA)	Skelton
Goodling	Miller (OH)	Slattery
Gordon	Mineta	Smith (FL)
Guarini	Mink	Smith (IA)
Gunderson	Moakley	Smith (OR)
Hall (OH)	Mollohan	Snowe
Hall (TX)	Montgomery	Solarz
Hamilton	Morella	Spence
Hansen	Murphy	Spratt
Harris	Murtha	Staggers
Hatcher	Nagle	Stallings
Hayes (IL)	Natcher	Stokes
Hayes (LA)	Neal (MA)	Studds
Hefner	Nowak	Swett
Hertel	Nussle	Swift
Hoagland	Oakar	Tallon
Hochbrueckner	Oberstar	Tanner
Horn	Obey	Tauzin
Horton	Olver	Taylor (MS)
Houghton	Ortiz	Thornton
Hoyer	Orton	Torres
Hubbard	Owens (NY)	Towns
Huckaby	Owens (UT)	Traficant
Hughes	Pallone	Unsoeld
Hutto	Panetta	Valentine
Jacobs	Parker	Vento
James	Patterson	Visclosky
Jefferson	Payne (NJ)	Volkmer
Johnson (TX)	Payne (VA)	Walsh
Johnston	Pease	Washington
Jones (GA)	Pelosi	Waters
Jones (NC)	Perkins	Weiss
Jontz	Peterson (MN)	Wheat
Kanjorski	Pickett	Williams
Kaptur	Pickle	Wise
Kasich	Porter	Wyden
Kennedy	Poshard	Wylie
Kildee	Price	Yates

NOT VOTING—64

Archer	Feighan	Roberts
Armey	Gradison	Russo
AuCoin	Herger	Santorum
Baker	Jenkins	Sisisky
Ballenger	Johnson (CT)	Slaughter
Barrett	Kennelly	Smith (NJ)
Barton	Kolter	Smith (TX)
Berman	Laughlin	Stark
Bevill	Lehman (FL)	Stenholm
Bliley	Levine (CA)	Synar
Boehner	Martinez	Thomas (CA)
Boucher	McCandless	Thomas (GA)
Boxer	McCrery	Torricelli
Bunning	McEwen	Traxler
Burton	Miller (WA)	Waxman
Coughlin	Morrison	Whitten
Dannemeyer	Mrazek	Wilson
Davis	Olin	Wolpe
Donnelly	Pastor	Yatron
Dornan (CA)	Peterson (FL)	Young (FL)
Dwyer	Pursell	
Ewing	Ridge	

□ 1949

The Clerk announced the following pair:

On this vote:

Mr. Barton for, with Mr. AuCoin against.

Mr. BRUCE changed his vote from "aye" to "no."

Mr. WEISS changed his vote from "present" to "no."

Mr. HOBSON changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. PASTOR. Mr. Chairman, on rollcall No. 61, the Rohrabacher amendment, I was unavoidably detained. Had I been here I would have voted "no."

□ 1950

The CHAIRMAN. Are there other amendments to any part of the bill? If not, the question is on the amendment in the nature of a substitute, as modified, as amended.

The amendment in the nature of a substitute, as modified, as amended, was agreed to.

Mr. GEPHARDT. Mr. Speaker, the Higher Education Act that the House is considering today addresses the central role of access to education as the means of increasing national economic growth and individual economic achievement. I support the legislation, and I want to discuss what this legislation will mean to average working families.

The economic experience of the past decade has not been kind to the working families of America. Low- and middle-income families saw their taxes increase and their after-tax incomes decline. At the same time, the cost of a key aspect of the American dream—a college education—has doubled. And, in the face of shrinking family budgets and increasing college costs, there has been a decade-long erosion in Federal support for higher education.

When parents worry, as they are worrying now, about their ability to send their children to college, their faith in the promise of this great Nation—the promise of growing opportunity, the ability of each succeeding generation to do better than the last—diminishes. Not only are our families working harder just to get by day-to-day, but their hopes for their children to do more than just get by are in jeopardy.

The situation that America's working families find themselves in is unfair—and more. It threatens the very fabric of our society.

That is why I am happy—indeed, proud—to have the opportunity to cast my vote for the Higher Education Amendments Act under consideration today. Passage of this important piece of legislation will go a long way toward restoring the promise of opportunity that is the foundation of our economic and moral strength. It will provide real assistance to families who need it—and who have gotten precious little help from their government in recent years.

Now—when we face the stiffest competition from our trading partners in our history—is the worst time to turn our back in indifference on talented and motivated young people who cannot afford to get a first-rate college education. This bill will enhance the ability of American young people go to college and create more workers with the higher skills we will need to get our economy back on track for the long term.

I want to thank my friend PAT WILLIAMS, with whom I joined in introducing the Middle Income Student Assistance Act last June, and I particularly want to thank my friend Chairman FORD for including the provisions of that measure in the bill we will vote on shortly. I salute him for embodying so well in this bill his vision of Federal higher education assistance programs that are responsible and effective, and for his commitment to helping the hard-working families of America send their children to college.

We have a chance today to do something meaningful for the middle class families who are the heart and soul of the country. I urge my colleagues on both sides of the aisle to vote for this bill and help give our working families a firmer grasp on the American dream.

Mrs. COLLINS of Illinois. Mr. Chairman, I rise today in support of H.R. 3553, the Higher Education Reauthorization Act.

While running for the Presidency in 1988, George Bush made a campaign vow to become the education President. During his first 2 years in office, however, the American people saw little, if any evidence to justify such an honorable title. It was not until the third year of his term that the President decided to unveil his long awaited America 2000 education proposal. And, my friends, George Bush still does not deserve the honor of being known as the education President.

At the same time that he claims the need to invest in education, the President has submitted a budget which would cut $240 million from the impact aid program. This Federal program compensates local school districts for the expense of educating children whose parents, because they are military employees or live in subsidized housing, do not contribute to the real estate tax base which funds education. If this measure was implemented, school districts in my own area of Chicago would lose almost $600,000—a 99.8-percent cut in Federal impact aid funds. The schools losing these funds serve primarily low-income students.

My colleagues, the President has embraced education as the cornerstone of economic prosperity and the American dream, but the preponderance of his education initiatives serve only to pull the supports out from under those who need them most.

We have talked and talked and talked about the ability of education to empower our citizens and the need to make that opportunity available to all who seek it. Yet, we spend only 4.1 percent of all the money raised within our borders on elementary and secondary education This places us well behind our major competitors Japan and Germany and far behind the leader, Sweden, which spends 7 percent.

Today, we have the opportunity to discuss legislation which will enable us to help millions of Americans gain access to higher education. The Higher Education Reauthorization Act (H.R. 3553) will greatly enhance the opportuni-

ties for low- and middle-income Americans to access higher education programs and move closer to their American dream—whatever they define it to be.

Throughout history, the education system has functioned as neutral ground and been the sight of many a battle about our society's values and priorities. This legislation is no exception. In spite of the President's refusal to get out of the way of congressional reform efforts of late, we have before us today a bill which acknowledges and, even more importantly, addresses the reality of skyrocketing college tuition and slow growth in family incomes. In the last 10 years, the cost of attending a public institution has increased 27 percent and private tuitions have gone up 54 percent. In sharp contrast, median family income has increased only 15 percent. Increasing the annual maximum value of Pell grants from $2,100 to $4,500 and simplifying the hours-long and often intimidating financial aid form, as called for in section I of the bill, will allow over 1.4 million additional students to be eligible for aid and make that money easier to access.

I am especially hopeful that the new programs included in the Higher Education Reauthorization Act will fulfill their goal of attracting more young African-American students to institutions of higher learning. These students are disproportionately from low-income backgrounds and the first generation of their families to attend college. Early intervention and outreach efforts through the TRIO programs, training for high school counselors, and better coordination and dissemination of scholarship information will further facilitate these students' educational efforts.

Of particular promise, I believe, are two new programs created under title V of the bill. The Partnerships for Encouraging Minority Students To Become Teachers Program and the National Mini Corps Program work to place students from low-income and first-generation-in-college backgrounds in elementary and secondary school classrooms as teachers and role models. Dedication to these sorts of programs will begin to help children in similar situations to realize at an even earlier age that there is indeed a place for them in higher education and that college is not an entirely elusive goal. We must go even further to ensure that children at risk value education as necessary to their success. In addition to expanding Federal loan and training programs, we must improve publicity of private and public financial assistance and promote public advertising to encourage the college attendance of disadvantaged youth.

Thus, Mr. Chairman, I strongly support H.R. 3553. When enacted, it will go a long way toward ensuring that George Bush will no longer have to beckon Americans to "Read my lips"; because millions more will be able to, on their own, read his empty words in the newspaper and research his broken promises in college libraries.

Mr. MILLER of California. Mr. Chairman, I rise in strong support of H.R. 3553, the Higher Education Act. As a member of the Education and Labor Committee and an original cosponsor of this legislation, I am pleased that we were able to bring this legislation to the floor in a bipartisan manner. This important legislation expands access of students from middle-class families to Federal financial aid, strengthens the provisions against fraud and abuse, and makes changes in the programs to recognize the needs of the part-time and nontraditional students who comprise our postsecondary education population today.

I wish to thank Chairman FORD and the members of the committee for accepting a number of provisions I offered which I believe will correct several inequitable situations. One such situation involves students who attended proprietary institutions which closed before they could complete their course of study.

This epidemic of proprietary school closings over the past few years has left a national tragedy as its aftermath: Thousands of students, mostly low-income, inner-city minorities, were unable to complete their training but were saddled with student loan debts and ruined credit ratings. Because they were unable to pay their loans, they were barred from future financial aid needed to reenter the work force, and could not meet the educational requirements of the JOBS Program.

Also, unfairly hit by the proprietary school debacle of recent years are those students who were falsely certified as eligible for student loans by the institutions in which they were enrolled, including those who had skill levels far below those necessary to cope with the course materials.

The provision I added in the House bill aims to make whole those two categories of borrowers who were victimized by such institutions. For students whose school closed after January 1, 1986 or who were falsely certified by their institution after that date, the writeoff provision is meant to require the Secretary to discharge their Stafford and SLS loan liabilities, including interest, to leave them with a zero balance and a clean slate. It also clears their credit records and renews their eligibility for financial aid. And by requiring the Secretary to pursue any claim available against the institution or to draw on any third-party guarantees, such as bonds, it also places responsibility for repaying the loan debt squarely where it belongs: on fraudulent schools, rather than on the defrauded students or the taxpayers.

During a field hearing I held in my district on this reauthorization last June, a witness brought to my attention a little-known problem affecting foster care youth. Foster care youth in independent living programs currently have their Federal assistance payment counted against them when calculating their need for Federal financial aid. I am pleased that the committee unanimously accepted my provision which specifically exempts these payments for foster care youth.

I also wish to thank the chairman and the committee for helping me solve a problem of great magnitude for the California State University system. California State University prepares 70 percent of the State's new public school teachers and over 10 percent of the Nation's new teachers. It is important that the programs authorized under title V of this bill include universities such as CSU in the recruitment, retention, and development of teachers as a partner with local educational agencies and the State. CSU attracts students of all ethnicities, representing all the State's diverse populations. It has invested significantly in attracting qualified underrepresented minorities into the teaching field, particularly in the areas of mathematics and science.

I appreciate the chairman and the ranking member for including in the bill a provision that will remedy an inadvertent error in the regulations for the Perkins loan and the college work study programs. The regulations excluded students who possessed baccalaureate degrees and were enrolled in credential or certificate programs from eligibility for these programs.

This bill corrects the error made by the Department and makes the correction retroactive back to the time when the incorrect regulations were promulgated.

It is ironic that without this correction, programs that include incentives to encourage students to become teachers are unavailable to students in California, for example, who are enrolled in teaching and school service credential programs. It was never our intent to exclude these students from eligibility, and it is time that this error be corrected.

I hope that this provision will be retained through conference with the other body on the differences between the two bills. I look forward to working with the chairman and ranking Republican to assure that this error will be corrected through our efforts.

Ms. SLAUGHTER. Mr. Chairman, I rise in strong support of the Higher Education Amendments Act of 1992 which will make postsecondary college and vocational education affordable to all Americans.

Unfortunately, Mr. Chairman, many high school graduates will not be attending college this fall simply because they cannot afford to go. The financial pressures on familes today are tremendous, and in many families these economic pressures are destroying the prospects of our young people who want a better future. Students tell me that they are working and going to college part time. Others are postponing college so they can get jobs and help their parents meet their mortgage payments. Still others have given up on college altogether.

Mr. Chairman, these are families with broken dreams, the dreams of parents who wish the best for their children, and the dreams of students who see their futures at risk.

H.R. 3553 will go a long way to correct this situation by helping make higher education affordable for millions of middle-income students. The bill:

Increases Stafford loan availability to 3.1 million students, including 1.7 million middle-income students by expanding eligibility for loan interest subsidies to students of families with an income of $78,500;

Increases the PLUS Loan—a guaranteed loan for parents—availability to 6 million families;

Allows first and second year students to borrow up to $6,000 annually under the Perkins Loan Program, and increases the limit from $9,000 to $15,000 for junior and senior undergraduates and from $18,000 to $25,000 for all graduate students;

Raises the available amounts of existing Pell grant awards to a maximum of $4,500 per award; and

Expands Pell grant eligibility to 5 million students.

These measures and others included in H.R. 3553 will make needed financial assistance available to all students so that no one will be prohibited financially from receiving an education.

By increasing the affordability and accessibility of education, we are making the highest commitment to the future of this Nation. We must invest in the education and training of our work force to improve their productivity and insure a rising standard of living in this increasingly competitive and changing world. It is with strong conviction that I rise in support of the Higher Education Act amendments today.

Mr. WEISS. Mr. Chairman, I rise today in support of the Higher Education Amendments Act of 1992, H.R. 4471. This important measure addresses monumental changes that have occurred in the American job market. With explosive changes in the technology, advanced learning and superior skills have become ever more important. Access to these skills has been obstructed by tight financial aid qualifications. Unfortunately, we have also witnessed the exponential growth of tuition costs. Financial assistance is the only means by which most people, from all income areas, can enter into higher education. H.R. 4471 ensures that all Americans have equal opportunity for continued learning, regardless of their economic background. By increasing educational opportunities, we will guide America into the next century with a more highly skilled and competitive work force.

I am very disappointed that this substitute does not include Pell grants as an entitlement program, but this bill accomplishes many wellneeded improvements to the Higher Education Act of 1965. It extends financial aid to low-income families and increases aid eligibility for middle-income students and their families. H.R. 3553 also simplifies the financial aid application process, battles fraud in the current loan default system, and improves the access to, and quality of, a number of diverse academic, counseling, outreach, and tutoring programs.

Another of the many accomplishments of this bill is the enhancement of federally funded prospective teacher programs. It is projected that by the year 2000, there will be a teacher shortage of roughly 1 million. I am gravely concerned that students, especially students in disadvantaged areas across the United States, will suffer greatly from this lack of talented and enthusiastic teachers. To avoid this potential crisis, I sponsored H.R. 3334, the Perkins Loan Improvement Act of 1991, which is included under title IV of this bill.

The Perkins Loan Improvements Act expands the policy of loan forgiveness for teachers who take out Perkins loans to fund their education. Under the current system, the cancellation of Perkins loans is permitted for full-time teachers who work in qualifying schools in low-income areas. However, current law caps the number of schools who can participate to 50 percent per State. This limitation denies loan forgiveness to teachers in 18 States and the District of Columbia. My bill will eliminate the 50-percent cap and therefore stop penalizing some dedicated, selfless teachers who serve in the these low-income areas.

The purpose of higher education is to encourage people not only to learn for themselves, but to share their knowledge with others. By removing the unequal loan cancellation restrictions, this bill provides incentives for more quality teachers to help those communities who are most in need. It is vital to attract qualified and interested people to the teaching profession, for teachers will train our next generation.

The reauthorization of the Higher Education Act comes at a crucial time. For many Americans today, higher education is the only route to further personal and professional achievement. It is up to Congress, to clear this path; and this bill is a significant thrust in the right direction. I urge my colleagues to support H.R. 4471.

Mr. SMITH of Florida. Mr. Chairman, I rise to announce my strong support for the higher education reauthorization of 1992. This important legislation will give middle-class families the essential Federal financial aid assistance they deserve.

H.R. 4471 will also strengthen safeguards against fraud and abuse of the student loan programs. I first became involved in this issue in 1988 when I learned of serious loan abuses at a proprietary school in my district. In 1989, I introduced the Student Loan Abuse Program [SLAP] Act.

The SLAP Act would have authorized the Secretary of Education to halt the flow of Federal funds to schools determined to be operated by dishonest officials who use unscrupulous tactics to line their own pockets at the expense of well-meaning students. In addition, the bill stopped the flow of funds to any affiliates or successors to these schools if the Secretary of Education determined there was good cause for concern. The 1989 Budget Reconciliation Act gave the Secretary of Education the authority to take emergency action to bar schools from student aid programs if they were found to be breaking the law.

I would like to thank Chairman FORD and the members of the Education and Labor Committee for continuing to pursue this critical issue. Some of the provisions of the higher education reauthorization evolved from the SLAP Act. H.R. 4471 will prohibit postsecondary institutions from using salesmen and recruiters who receive commissions or other incentive payments for enrolling or obtaining financial aid for students. Moreover, H.R. 4471 will also prohibit participating postsecondary institutions from using any agency or employing any person who has been convicted of abusing Federal student aid funds. These provisions are straightforward and fair. They protect the Federal Government waste of using taxpayers' money to provide loans to schools that are not following regulations.

The Higher Education Act of 1992 is a solid bill which will bring much needed relief to middle-class Americans. It is a responsible bill which watches over the taxpayer's investment in education and makes sure that it is spent wisely.

Mr. TOWNS. Mr. Chairman, the amendment that I planned to offer was designed to correct a major flaw in the criteria the Secretary would use to target postsecondary institutions for State monitoring and review to eliminate fraud, abuse, and waste. Unfortunately, time and the procedural constraints of the rule did not permit me to accommodate the concerns of the black college community with those of my colleagues who have been working on the program integrity provisions of the loan section of this bill. I appreciate the willingness of the full committee chairman and the ranking minority member in accepting this amendment. I hope that we can reach an agreement in the House-Senate conference to ensure that the concerns of historically black colleges are not harmed by the State review provisions.

Mr. BEREUTER. Mr. Chairman, this Member rises in support of the amendment proposed by the gentlewoman from Hawaii [Mrs. MINK] and the gentleman from New York [Mr. ENGEL] which would have restored the 2-year deferment of student loans for medical residents and interns.

Mr. Chairman, as you know, the legislation currently under consideration combines the current 11 deductions allowed to 3. Even though the economic hardship category considers loan-to-income ratio, the only way medical residents and interns can be certain of a deferment is a special category for them.

This Member has consistently cosponsored legislation that would increase the 2-year deferment to the entire residency period. Nebraska is typical of many rural States that are experiencing shortages of health professionals—especially general practitioners.

Last week several of this Member's constituents who are medical students stopped by my office to express their concerns about the high cost of medical education and the burden of loan repayment during residency, if H.R. 3553 is passed without this amendment. The burden of loan repayment is on their minds daily. In fact, they made it clear that financial considerations play a major role in choosing a specialty and location of practice.

As a Nebraska medical student said in a letter last fall:

> Ending the deferment is unsound health care policy, since it can only force medical residents to forgo specialization in lesser-paid medical specialties, such as psychiatry and family medicine, precisely at a point when Federal policy clearly needs to encourage more—not less—physicians to choose these specialties.

Mr. Chairman, this Member is in strong support of the Mink-Engel amendment and urges his colleagues to vote in support of this amendment.

Mrs. MORELLA. Mr. Chairman, I rise to bring to my colleagues' attention language that has been added to H.R. 4471, the Higher Education Reauthorization Act, pertaining to the Paul Douglas Teacher Scholarship Program.

This scholarship program, which was enacted in fiscal year 1984, provides scholarships of up to $5,000 annually to students interested in pursuing a career in teaching. For each year students receive assistance, they are required to spend 2 years teaching. If they do not meet these teaching requirements, they must pay back a pro rata portion of the loans with interest.

Unfortunately, participants in this program, who often are selected as high school seniors or college freshman, are uninformed about the job market which they will face upon gradua-

tion. Having entered into this contract, they might learn later that they are faced with a much more difficult job search than anticipated.

A constituent of mine wrote to inform me of his difficulties in finding a job. With the help of a Paul Douglas Scholarship, he prepared for a career in teaching while in college. After graduating, he learned that he had prepared to teach in a field which had the fewest openings of any teaching specialization. Had he known before, he could have chosen a field where his skills are needed. Despite his good intentions, he has been unable to find a job and faces a large debt incurred from the scholarship.

For the benefit of the program, as well as for the participants, we must be certain that these students have as much information as possible before entering into this contract. I have added a provision, with the assistance and support of Chairman WILLIAM FORD, to the Paul Douglas Scholarship Program requiring States to counsel prospective recipients on the employment outlook within the teaching profession. It is only fair to the participants that they are aware of the job opportunities which will likely be available at the time of their graduation. It is also best for the community, which is more likely to have teachers where they are needed, in front of a chalkboard rather than pounding the pavement.

Mr. GREEN of New York. Mr. Chairman, I wish to express my support for H.R. 4471, the higher education reauthorization bill, which is the main source of Federal assistance to higher education. Most of that assistance is in the form of student financial aid, which makes the dream of obtaining a college degree a reality for millions of Americans. I should also like to express my appreciation to the Education and Labor Committee for both expanding access to financial aid and tackling the difficult and costly problem of loan defaults by strengthening safeguards against fraud and abuse in the various student loan programs.

There is, however, one revision made by H.R. 3553 to which I must express my strong objection. That is the removal of home equity from calculations to determine eligibility for student financial aid. I believe that provision is shameless discrimination against renter households. Imagine that there are two families: One is a family whose home is worth $100,000 and the other is a family who rents its home and has $100,000 in savings. Under the new bill the homeowner family will not have to include the value of its home in the financial aid application but the renter household that has $100,000 in savings will have to include that amount. The 1986 tax bill already provided a break to homeowners by allowing them to deduct second mortgages for other purposes, including education, so why are we implementing a provision that discriminates even further against renter households? For my constituents, many of whom are renters, this provision is grossly unfair and I feel an obligation to point it out.

Mr. CLAY. Mr. Chairman, I rise in support of H.R. 3553, the higher education reauthorization.

This legislation authorizes the major Federal programs supporting postsecondary education in this country. H.R. 3553 continues our Federal commitment to access in postsecondary education and to educational opportunity. I believe that we have an obligation to our young people in providing the opportunity for all who want to go on to institutions of higher learning.

There are many fine programs in this legislation to help our young people including an improvement of our financial aid system, provisions which will strengthen our historically black colleges and universities; it promotes stronger teacher training programs and this is just to name a few.

The Committee on Education and Labor held massive and exhaustive hearings regarding the reauthorization of the Higher Education Act prior to the development of this legislation.

A straightforward and direct message emerged during the course of these hearings. That message was: "An urgent need exists as an imperative for the reauthorization of the Higher Education Act."

I support this imperative as greatly needed for moving our Nation forward as we face international and global competition.

Education, historically, has been the linchpin which has mobilized and unified our Nation. It is important that we provide the necessary resources for higher education to be a catalyst for our national growth and prosperity.

As one reads the extensive testimony which was presented during the course of these hearings, one is struck by the dedication and the high resolve of the people who are involved on a daily basis in our institutions of higher education who are committed to the optimum utilization of our human potential.

It is important, as you well know, that as we face global competition from abroad in the area of high technology and cybernetics, all of our institutions of higher education should be in the best possible position to add to our economic strength by ensuring that we have graduates of high quality.

I believe that in a time of an economic downturn and growing dependence on foreign products. This legislation will serve as a catalyst or a multiplier effect for our economy. In brief, I believe that this legislation is a prudent investment in our Nation's future.

It is in our national interest that this legislation should be supported by all enthusiastically.

Ms. OAKAR. Mr. Chairman, I rise in support of the Higher Education Reauthorization Act. First, I would like to express my support to the gentleman from Michigan [Mr. FORD], and to the ranking member, the gentleman from Missouri for the tremendous work that they and the committee have done on this important legislation. Specifically, I support their work to increase the grants and loans available to students from working and middle-class families.

This is one of the most important bills that Congress will consider this year and a critical investment for economic growth. In the last decade, costs at public and private colleges have increased from two to three times faster than the growth in median family income. Working and middle-class families should not have to see the dream of college education slip out of their reach.

Investment in education is essential if America wants to compete in the international market and offer our children a better future and a chance at achieving the American dream. As the gentleman from Michigan pointed out, while 40 percent of today's jobs are in low skills occupations, only 27 percent will fall into that category by the year 2000. At the same time, jobs in high skill occupations will rise from 24 percent to 41 percent of the work force. Without the changes included in this bill, we are at risk of becoming a country where middle- and working-class kids are squeezed out of the chance at a better future.

This bill makes a number of important changes to expand access to higher education. Over the past decade, students who receive financial aid have had to take out larger and larger loans and have received less grant money. One of the unfortunate results of this trend is a higher student loan default rate. The legislation before us works to correct this trend by increasing the maximum Pell grant from $2,400 to $4,500. It also gives more families access to Pell grants. Currently, only families with incomes of less than $30,000 per year can receive Pell grants; and 70 percent of Pell grant recipients come from families with incomes below $15,000. With this legislation, students from families of four with incomes up to $49,000 would be eligible for the minimum Pell grant.

Many middle-class families have been closed out of the guaranteed student loan programs. This bill changes that. By setting up a new loan guarantee program for students who do not qualify for financial aid, this bill allows all students, regardless of family income, to obtain loans. Students who do not qualify for the regular Stafford loans would be eligible for the new unsubsidized Stafford loan. This loan would be the same as the regular Stafford loan, except that they would be responsible for paying 8 percent interest while they were in school. The students could pay the interest while they are in school or have it added to the loan principle to be repaid once he or she enters repayment.

The bill also takes a number of other steps to make financial aid more fair. For example, it excludes the family home, farm, and small business from financial aid evaluation so that families do not have to sell their family business or take out large mortgages on their homes to send their daughters and sons to college. As a result of this change and other changes, students from families with incomes of $78,500 who attend average-priced college would be eligible for the regular Stafford loans.

I urge my colleagues to support the bill. It's an economic growth package and an investment in the future of our Nation.

Ms. MOLINARI. Mr. Chairman, I rise today to express my appreciation to Chairman FORD, the ranking minority member of the full committee, Congresman GOODLING, and the ranking minority member of the Postsecondary Subcommittee, Congressman COLEMAN, for their extraordinary leadership on education issues. I also want to commend my colleagues on the Education and Labor Committee whose thoughtfulness and dedication to postsecondary education helped to craft this legislation before us today.

As a member of the subcommittee, I am proud to have been a part of the important mission and vision embodied in this legislation. Our committee held over 40 hearings, and dedicated many long hours to draft a

59-059 O—96 Vol. 138 (Pt. 5) 45

mostly bipartisan bill. Despite several differences on several important issues, the focus to advance our commitment to higher education was never lost.

At the societal and geopolitical levels, forces are now at work that are rapidly changing our Nation and our future work force. Economic growth in Asia and Europe, coupled with the decline of communism across the globe, has altered the international political landscape, thus challenging the United States' role in the global community.

This challenge, to recapture and maintain America's economic momentum requires a highly educated labor force. American higher education is the foundation for this labor force. This country simply cannot afford to have a shortage of adequately trained people that can master the jobs that are necessary to remain competitive. Today, we are considering a bill that is the blueprint for the long-term labor needs of our country.

Let us look back over the past decade. The costs of a college education have risen 135 percent, while, family income has only risen half of that. The bill before us, increases the amount of Federal student aid that is available through Pell grants, supplemental grants, loans and college work study to offset the burden of educational costs for the average American family. Our committee recognizes the importance of keeping the doors of opportunity open for students who simply do not have the financial means to pay for a college education.

One of the central goals of this reauthorization is to expand student aid for the hard-pressed middle-income families that are strewn across this country. The legislation before us accomplishes this goal by increasing the maximum available Pell grant and expanding access to families of four with incomes up to $49,000 for the minimum Pell grant award.

In the past, many hard-working middle-income families have not qualified for student aid because of the inclusion of the value of a family home, family farm, or small business in the calculation of need. This legislation removes these three assets from the need analysis calculation. In addition, the bill provides an educational savings protection allowance to aid parents who have saved for their children's education.

We change the current PLUS Program to make more loans available to parents, regardless of their income. We create a new unsubsidized loan program, so that all students, regardless of family income, can borrow up to the maximum Stafford loan. In addition, the bill simplifies the application process for Federal aid by requiring the completion of only one Federal form for all Federal student aid. The current application process is extremely complex and discourages many students from applying for aid.

One of the most serious issues that the committee tackled with great concern is to end waste, fraud, and abuse in the Student Loan Program. Over the past 5 years, we have seen an unacceptable increase in loan defaults. To stop this hemorrhaging in the Student Loan Program, our bill includes nearly 100 provisions to strengthen controls on colleges and universities to end waste and abuse. Some of these provisions include prohibiting the use of commissioned sales persons and recruiters, requiring pro rata tuition refunds, and increased financial responsibility from schools. Along these lines, a new integrity section was created within the bill to enable the Secretary of Education to enter into agreements with States to help protect the taxpayer's money.

Another key goal I strongly supported was to provide outreach programs to increase the number of women and minorities in science and engineering. We have also created grants to colleges and universities to establish child care facilities for disadvantaged students and we have provided money for sexual offense education and prevention programs. I supported these initiatives because by the year 2000, two out of three new entrants into the work force will be women and minorities. By the year 2000, 86 percent of jobs available will require postsecondary education or training.

The bill includes a number of programs, that I took a personal interest in, for inclusion. The first provision establishes a prefreshman summer program to supplement existing Federal and State efforts to help disadvantaged students. Years of experience in New York State's opportunity programs demonstrate that prefreshman summer programs are highly correlated with academic success for economically disadvantaged students.

The second provision increases the amount of money for the Student Literacy Corp [SLC], a program to increase literacy and other educational skills by using college students to tutor in public community agencies which serve educationally or economically disadvantaged individuals. As well as additional funding levels, each institution will now be allowed to receive one grant for each branch campus affiliated with it. This will allow schools that have multiple campuses in various cities to have a SLC Program at each location.

The third provision will be an amendment I plan to offer with my colleague, Congressman RAMSTAD, to require colleges and universities to formulate and distribute a campus sexual assault policy. College and university campuses are becoming a breeding ground for date and acquaintance rape. The statistics are horrific: From 60 to 80 percent of rapes are date or acquaintance rape. Although campus rape is reported every 21 hours, studies reveal that the actual incidence of rape is much higher. It is time to assign the role of responsibility for campus safety to colleges and universities.

Mr. Chairman, the provisions of this bill before us today, demonstrate our commitment to the citizens of this country who desire and have the ambition to pursue the higher education of their choice. I hope all my colleagues will join me in supporting this bill to cut back the obstacles that impede the average American from reaching their educational goals. The future competitiveness of the United States depends on its labor force. If we continue to disregard the changes necessary for higher education, then we might as well not acknowledge that communism is dead, nor the increasing economic competitiveness of the European Community and Asia.

A nation is as strong as the people that inhabit it. This bill fosters the peoples' strength. I urge all my colleagues to support this legislation for the prosperity of our future.

Mr. BALLENGER. Mr. Chairman, I rise to point out a very small but important provision included in these amendments to the Higher Education Act which will encourage more of the business community and private sector to provide college opportunities to disadvantaged children. H.R. 3553 requires the Secretary of Education to evaluate the effectiveness of programs for disadvantaged elementary and secondary school students that offer such students guarantees for postsecondary education if they successfully complete their studies and graduate from high school. The Secretary must study a sample of these programs to determine the success or failure of such programs in increasing access and entry of disadvantaged students into postsecondary education, determine what makes these programs successful, and identify what responsibilities the sponsors must provide to the program.

The programs are based on the "I Have A Dream" college scholarship program developed by Eugene Lang which encourages private businesses to sponsor elementary and secondary disadvantaged youth by guaranteeing the payment of college tuition in exchange for the completion of a satisfactory elementary and secondary education. In my own congressional district both Catawba Valley Community College and Caldwell Community College and Technical Institute participate in this program and have had excellent results.

I am pleased that H.R. 3553 includes these provisions which were taken from a bill I introduced last year, H.R. 2943, because businesses want students with the education and skills necessary for employment so that they can continue to compete in today's world markets. This provision will provide the necessary data about these innovative and successful programs in order to contribute to providing a college education to someone who may not have had that opportunity.

However, I regret that I cannot support passage of this bill. While the legislation contains smart provisions such as the "I Have A Dream" program, it contains a direct loan pilot program that would be murderous to our already ailing Federal budget.

The direct loan pilot would require the Secretary of Education to select schools to participate in the program based on the GSL lending at the school. Any institution that lends a total of $500 million to eligible students in fiscal 1992 would be able to participate in the program. In other words, if 300 schools meet the $500 million requirement then 300 schools could participate; however, there would be no limit on the total dollar volume of loans that these schools could originate in the future.

The funds for this direct loan program are provided through Federal borrowing. Therefore, the bill would eliminate the ability for the Congress to control the amount of direct student loans, and would subject the Treasury to borrowing unknown millions of dollars at the taxpayers' expense. In addition, the direct loan program would increase the administrative burden on the Department of Education. The DOE has already indicated that they do not have the ability to administer the loan program, and the administration has threatened to veto the bill if it includes the direct loan provision.

As drafted, the bill is $1.2 billion over budget. In order to meet pay-go requirements, the

legislation would institute a 5-percent loan origination fee for Supplemental Loans for Students [SLS], and Parent Loans for Undergraduate Students [PLUS], and maintain the existing origination fee on the Stafford Loan Program. It is a shame to penalize the students who are supposed to benefit from the bill.

Again, I am proud of the efforts by the committee to include the "I Have A Dream" language, but I regret that I cannot vote for the bill in its current form.

Mr. DARDEN. Mr. Chairman, I rise in support of the gentleman from California's amendment to H.R. 3553. As Mr. PANETTA has explained, his amendment would strengthen the foreign language education and teaching provisions in this bill. This amendment reflects a commitment to the important educational goal of including quality foreign language training at every level of our Nation's school system.

Mr. Chairman, it has become an almost trite expression, but our world has changed. It is apparent that much of our future success as a Nation will depend on our ability to work in conjunction with other members of the international community to pursue our security, trade, and environmental interests. In order to work effectively with other nations, it is imperative that we meet them halfway by developing an understanding of their culture and languages.

Mr. Chairman, by providing for increased foreign language curriculum and program development and by encouraging the establishment of foreign language State academies for teachers, this amendment takes an important step toward ensuring that our schools will be able to provide good foreign language instruction and, accordingly, produce students with superior knowledge of foreign languages and culture.

Mr. Chairman, I urge the Members of this body to support the gentleman's amendment.

Mr. BACCHUS. Mr. Chairman, first, let me commend the chairman of the Post-Secondary Education Subcommittee for his leadership on this critical legislation. I especially appreciate the fair manner in which the subcommittee has involved Members and the education community in the drafting of the Higher Education Act. This bill balances many interests while always focusing on how best to serve students.

I am especially pleased with the title IV provisions of the bill and the increased financial aid available to all students. As a result of this bill, in the first year alone, 3.1 million more students will have access to Federal financial assistance. I will enthusiastically vote for passage of this legislation.

I do have one concern that I would like to bring to discuss today and that I hope can be addressed in conference. I would like to specifically address the title III Institutional Aid Program and the bill's maintenance of the current 5-year wait-out period for institutions receiving 5-year title III, part A grants.

I appreciate the need to balance the interests of those students at colleges that have received recent title III funds and those at colleges that have not yet received these funds. However, a 5-year wait-out is very harsh and limits an institution's ability to compete fairly in response to new and critical needs of students. Institutions that have received title III funding can face new problems of crisis proportion in response to rising unemployment, student influx, or severe budget cuts. These problems can hamper their ability to serve students through needed new programs. I believe that 5 years is just too long to allow severe problems to remain unsolved without even the opportunity to compete for title III aid.

Our students would best be served if the wait-out period were shortened to no more than 1 year, so that all needy institutions would have access to these funds on a timely basis. This change would allow unfunded institutions a greater opportunity to enter the program, without bringing unusual hardship on students at colleges that have been funded previously.

Mr. Chairman, I recognize the goal of making title III funding fair and open. However, I strongly urge our conferees when appointed to consider the harmful impact that a full 5-year wait-out period would have on some colleges' ability to quickly and adequately address challenges they face.

I thank you for considering this issue and commend you again for your leadership.

Mrs. BOXER. Mr. Chairman, I rise in support of the Higher Education Reauthorization Act. I am especially grateful to Chairman FORD and my colleagues on the Education and Labor Committee for their interest and support of title IV of the Violence Against Women Act which has been included in this bill.

Every student should have the opportunity to go to college, and the Higher Education Reauthorization Act reaffirms our commitment to this goal by expanding access to student financial aid programs for middle-class families. In the first year, an additional 1.1 million middle-income students will be eligible for Pell grants.

Yet, at a time when we are trying to help students fulfill their dreams, we are finding that college campuses are not the safe havens for study that we had always supposed. Today, the problem of rape on our Nation's campuses is driving women away from some schools, and forcing many to drop out.

A 1990 study funded by the National Institute of Mental Health found that one in four college women reported being the victim of rape or attempted rape. From these figures, it was projected that one in seven women will be raped on campus; 57 percent of college rape victims are attacked by their dates.

Through education and better awareness, we can prevent a women's dream of a college education from becoming a nightmare. Many campuses are already instituting rape prevention and education programs, but those with limited resources are not. This bill will provide $20 million to the neediest college campuses for rape prevention and education, victim support services, and other campus security measures.

It is unacceptable and a tragedy that even one woman must go through the trauma of rape on campus. If our efforts help even one woman avoid this fate and stay in school, then we have taken a step in the right direction.

Thank you, Mr. Chairman, and your colleagues on the committee, for working so hard to ensure that all students, including women, have the opportunity to pursue a higher education.

Mr. NEAL of Massachusetts. Mr. Chairman, I rise today in support of H.R. 3553, the Higher Education Reauthorization Act. What pleases me most about this bill is that the Higher Education Act puts educational opportunity on equal footing for all. With approval of this measure more and more Americans will be able to afford the postsecondary school of their choice. I cannot tell you the number of times that constituents have come up to me and shown me college tuition bills that are more than their annual salary. Many have postponed retirement because they do not wish to place a debt upon their children. With passage of H.R. 3553, Federal assistance programs will be expanded in order for low- and middle-income students to receive the educational chance they deserve. This assistance is sorely needed. In the last decade those Americans with incomes below the top 20 percent saw their income either stagnate or decline. All this is occurring as costs of public and private universities have increased two to three times faster than the growth in median family income.

Another problem that H.R. 3553 has addressed is the complexity of student aid forms. To alleviate the maze of paperwork, H.R. 3553 provides for a single Federal form for applying for Federal student aid and a single needs analysis that allows students to update their application from the prior year rather than filing a complete new application each year. This bill also creates a new Federal-State partnership that will provide training for high school counselors and establish a national computer network of financial aid information.

With passage of the Higher Education Act we can move in the direction of solving the outrageous number of student loan defaults. In 1991, the Federal Government spent $3.5 billion to pay for defaulted school loans. That figure constitutes 54 percent of the program. With better program integrity and accountability the schools with an abnormal number of school loan defaults will be kept out while the schools with minor problems will get the help they need to improve their default rate. This approach will curb the waste and abuse that has hindered the system in the last decade.

As we approach a new century, this Congress can look back in pride to a bill that gives an opportunity for all Americans to achieve the dream of bettering themselves through education.

Mr. RHODES. Mr. Chairman, I rise today to discuss the reauthorization of the Higher Education Act of 1965. This year's reauthorization process presents Congress with a historic opportunity to address the needs of higher education and the Nation's work force through the next decade. The decisions we make concerning the future of student financial aid programs will have an impact on the millions of Americans who depend on financial assistance to pursue a postsecondary education.

H.R. 4471, the Higher Education Amendments Act of 1992, contains several important provisions which will allow greater access for students pursuing a postsecondary education. H.R. 4471 simplifies the student aid process to allow easier accessibility to Federal financial aid. In addition, the bill also removes equity in home, family farm, and family small businesses from calculations which determine eli-

gibility for student financial aid, and establishes an educational savings protection allowance to aid parents who save for their children's education.

Mr. Chairman, I want to discuss two specific issues which are important to me. H.R. 4471 contains a provision to help open the records of campus crime units on universities across this Nation. Many States, including Arizona, have open records laws which require universities to disclose records of the campus law enforcement unit to other school officials, apart from the university's law enforcement unit. However, the Buckley amendment protects a student's right to privacy, the student's right to inspect, review, and correct the records before the school can disclose crime reports—even to the police. This contradiction has forced many States to choose between violating the State's freedom of information policy and violating FERPA, thus jeopardizing continued receipt of Federal education funds. However, H.R. 4471 contains a provision which will exempt from the Buckley amendment, any record maintained by a law enforcement unit that was created by that unit for a law enforcement purpose. This provision will help Arizona State University and many other schools in States with open records law.

Second, I want to address the role of vocational education schools in the reauthorization. I believe H.R. 4471 contains some important provisions regarding program integrity that will address the abuses that have taken place in the bad apple schools. As we are all aware, spiraling default rates in recent years have directed increased scrutiny toward educational institutions, especially trade and technical schools. However, I believe the program integrity sections of H.R. 4471 will go a long way toward protecting students and taxpayers.

In conjunction with this program integrity section, I hope that the conferees will remember the importance of short-term programs to these schools. The program integrity section will help ensure that short-term programs remain a valuable and integral part of vocational education. In passing this reauthorization, it is important that we do not throw out good programs as well as bad. Quality short-term vocational education programs have provided important training programs for many people, young and old.

When someone loses a job, he or she does not have 4 years to learn another skill. These short-term programs ensure that people can return to the work force as quickly as possible. A quick review of these programs includes welders, travel agents, hotel management trainees, and health workers. It is my hope that the House will keep these facts in mind as we consider this bill.

Mr. Chairman, I believe that this is a good bill. It expands access to the middle class, restructures many important programs for disadvantaged youth, and provides many new scholarship programs. I appreciate the work of the House Education and Labor Committee and their staff. I especially want to thank Congressmen BILL GOODLING and TOM COLEMAN and their staffs for understanding my concerns. I look forward to supporting H.R. 4471.

Mrs. KENNELLY. Mr. Chairman. I rise today in strong support of the reauthorization of the Higher Education Act. I commend Chairman FORD and members of the Committee on Education and Labor and the Subcommittee on Postsecondary Education for their hard work on behalf of students across this Nation.

The purpose of this bill is to improve Federal support for postsecondary education. Working and middle-income families are barely making ends meet and the dream of a college education for their children is quickly fading away. Costs at both public and private institutions have increased from two to three times faster than the growth in median-family income. In fact, between 1980–90, increases in college costs ranged from 27 percent for public universities to 54 percent for private institutions while the median-family income rose only by 15 percent. Public college costs are rising at rates faster than ever before as States with severe economic problems do not have the funds necessary to sustain their institutions.

I see this in my own State of Connecticut, in New England, and across the country. Fiscal problems in States are drastically reducing the State contributions to colleges across this Nation. More emphasis then is placed on the Federal Government to assist in financing. It is a responsibility we must uphold—State and local governments can no longer bear the fiscal burden—and the education of our Nation's citizens is imperative to our international competitiveness and our ability to succeed in global markets.

We have seen a dramatic shift in the focus and direction of students financial aid. Loans have replaced grant aid as the major source of student aid. In fact we are providing $2½ in loans for every 1 dollar in grant aid. This legislation redresses the current imbalance between loan and grants. It expands eligibility for grants and low-interest loans. For instance, the maximum Pell grant award will be increased to $4,500 for the current year and indexes the grant to inflation. It expands access to guaranteed student loans by establishing an unsubsidized loan program that would allow students regardless of family income to borrow up to the maximum limit.

This legislation enhances the integrity of student aid programs—it strengthens controls on schools to end waste and minimize loan defaults. In addition, it simplifies the student aid application process and delivery system so often criticized as complicated and cumbersome.

Mr. Chairman, this legislation authorizes a program of grants to institutions of higher education to encourage and support manufacturing engineering education. These funds were authorized for fiscal year 1992 at $25 million and yet the program was not initiated by the Department of Defense. We have recently learned, particularly in light of cutbacks in defense spending, that American companies fail to lead in the creation of new technologies for commercial use. A gap is widening between the development of new technologies and their application in American plants. These grants to undergraduate institutions for the enhancement of existing manufacturing engineering programs and the establishment of new programs will be vital to student research in advanced manufacturing science and technology. This program will bring about greater opportunity for an enhanced field of study not to mention advanced career options for students in science and technology. We must initiate this program.

Mr. Chairman, there are important provisions in this legislation with respect to nontraditional students, women, and minorities in higher education. This legislation expands Pell grant to less-than-half-time students and increases support for child care expenses. It also incorporates provisions to significantly increase the numbers of women and minorities who enter the fields of math and science where they are currently drastically uderrepresented.

I also commend the committee for strengthening the TRIO programs to provide information and early outreach services to students and their families. These programs have proven successful in their mission to provide academic guidance to educationally disadvantaged students who currently attend or are seeking to attend postsecondary institutions.

In the long term, Mr. Chairman, this legislation expands opportunity and helps to ensure that this Nation will have a highly trained and educated work force capable of competing effectively with workers of any nation.

Mr. Chairman, the time has come to reaffirm our commitment to the future of our Nation's students and future work force. This legislation provides much needed relief to middle-income families who are priced out of higher education by the skyrocketing costs of tuition. This legislation provides fairness. This legislation provides opportunity. I urge my colleagues join me in supporting the higher education reauthorization.

Mr. CAMPBELL of Colorado. Mr. Chairman, I'm happy to be here today to discuss reauthorization of the Higher Education Act. Passage of this legislation is an important step in helping low- and middle-income students achieve the dream of a college degree.

Providing Americans with the opportunity to earn an education is essential if this nation is to prosper. We will not maintain our competitiveness on the world scene if we fail to prepare for the competition.

This bill is important because it recognizes the current imbalance between grants and loans for students trying to finance their education, and attempts to correct that problem. By supporting this legislation, we have the opportunity to give students a real chance at putting themselves through school—without forcing them to graduate strapped with an unmanageable debt.

The cost of higher education has increased dramatically in the past 10 years, but we have not provided more financial aid to help cover these costs.

Today we can reverse that trend by supporting this bill. It raises the maximum Pell grant $4,500. The number of students receiving grant assistance would be increased by raising income for minimum grant eligibility to $49,000. While this increase would still cover less than half of the average costs of a year's education, it will increase access to education for the people who need it the most.

As much as an increase in Pell grants will help lower income students in their quest for a college degree, the middle class is also the winner in this proposal.

This bill creates new incentives for families to save for their kids' education. Students are

protected from losing eligibility for aid if their parents have saved for their education. Currently, any such savings are counted twice: as savings and parental contribution. This change reflects the reality that savings are a one time infusion of cash and will not be a yearly contribution.

Availability of guaranteed student loans are expanded for those with middle-income, by allowing all students, regardless of family income, to borrow the maximum Stafford loan.

Most importantly, by passing this legislation we can change the calculation for determining financial need to help middle-income Americans. It is unreasonable to expect a family to sell their home, farm or small business to pay for their kids' education. But under current law, these assets are considered when determining eligibility for financial aid. Changing this calculation alone will give many kids access to financial aid that they have not had for 10 years, and help eliminate some of the squeeze felt by middle-income Americans.

I'd like to thank the members of Education and Labor for their work on this bill, and urge my colleagues to support it. Giving Americans a chance for an education is key if we expect to retain our strength and opportunity as a nation.

Mr. ROYBAL. Mr. Chairman, I would like to voice my support for H.R. 3553, the Higher Education Reauthorization Act.

As we all know, this bill expands access to financial aid to American students. I would like to point out some of the other aspects of this important legislation which have received less attention. The bill enhances the TRIO Program which provides help for students from disadvantaged backgrounds. Youngsters who will be the first in their families ever to go to college receive crucial guidance and encouragement because of this program. This bill also provides matching grants to colleges and universities which institute programs to prepare and place teachers in minority school districts. A program will also be established to encourage minority high school students to pursue careers in elementary and secondary school teaching. The bill also authorizes $15 million for both the College Assistance Migrant Program [CAMP] and the High School Equivalency Program [HEP]. These programs are vitally important to migrant students, who face tremendous obstacles in achieving their educational goals. These programs promote greater stability and continuity in the delivery of services to children whose families are engaged in migrant and seasonal farm work. The bill also expands the national Mini Corps which has recruited former migrant workers to provide extra help for migrant children and serve as role models that can clearly illustrate the importance of educational achievement.

I would like to congratulate Chairman FORD and all the members of the Education and Labor Committee for having crafted this bill and I urge all my colleagues to support it on final passage.

Ms. PELOSI. Mr. Chairman, I rise today in support of H.R. 4471. This legislation would provide much needed reform to our current Federal Student Loan and Pell Grant Programs and would expand the opportunity to attend college to more middle-class Americans.

By passing this legislation and expanding eligibility for Federal student loans and Pell grants to the middle class, I believe that Congress takes an important step toward investing in the future of our young people and the future of our country.

Critics of this legislation charge that it simply costs too much money to expand these programs to reach more Americans.

Mr. Chairman, I charge that it costs too much money to not expand this eligibility.

Countless studies have shown that a dollar invested in education results in a substantial net gain to the individual and to our society as a whole. Any business short sighted enough to refuse such a return on a potential investment would not be able to compete in the international marketplace.

Every day it seems we hear how other nations have gained an economic advantage over the United States in a given industry. In order to regain our role as the world's undisputed economic leader, we must heed the lessons of business and invest in the development of our Nation's greatest asset and our greatest resource, its people.

The higher education system in the United States is recognized throughout the world as the most comprehensive, the most effective, and the most sophisticated. The research facilities at our universities are the envy of all nations.

H.R. 4471 provides us with the opportunity to help more Americans benefit from these great institutions. To ignore such an opportunity, to tell millions of middle-class Americans that it just costs too much to assist them in furthering their education, is to sabotage our economic future.

Mr. Chairman, I urge my colleagues to recognize the real and urgent need to invest in tomorrow today and urge you to pass this legislation.

Mr. FORD of Michigan. Mr. Chairman, the gentleman from Texas [Mr. BUSTAMANTE] raised his interest in enhancing the postsecondary achievement of Hispanic-Americans.

Over the past 4 years, I have been aware of the gentleman's legislative initiatives to establish a postsecondary network of Hispanic-serving institutions of higher education with at least 25 percent Hispanic enrollment, and I applaud his leadership.

The members of the House Education and Labor Committee are fully aware of the title III provisions in the Senate higher education reauthorization bill which call for the establishment of such a network of Hispanic-serving institutions. I can assure the gentleman from Texas that, as chairman of the House Education and Labor Committee, I intend to give full, fair, and serious consideration to the Senate language establishing such a network when the House and Senate meet in conference committee.

I thank the gentleman for bringing his views on this matter to the committee's attention.

Mr. BUSTAMANTE. Mr. Chairman, I wish to discuss the goal of establishing a federally supported network of Hispanic-serving institutions of higher education.

Indeed it was during the 100th Congress that the senior Senator from Texas and I introduced the first bill in the U.S. Congress to ever call for the establishment of just such an educational network. As a former educator, I have worked on this legislative initiative for the past 4 years, which is why I was pleased to learn that Senator KENNEDY has included a title III provision in the Senate higher education bill which is based on my original legislation.

Although I know the chairman of the committee has and past reservations about establishing Federal educational set-aside programs, I believe that he is, nonetheless, sensitive to the needs of the constituents which my colleagues and I on the congressional Hispanic caucus represent. In this spirit of cooperation, I would hope that the chairman and his Education and Labor Committee will give full, fair, and serious consideration to the Senate language establishing a network of Hispanic-serving institutions of higher education with, at least, 25 percent Hispanic enrollment.

Mr. OWENS of New York. Mr. Chairman, I rise to give my full support to the amendment offered by Mr. VENTO. In my congressional district of Brooklyn, NY, there are thousands of students who are in debt because of student loans that they took out for an education which they never received.

These students are now in default on loans and they will not be eligible for Federal financial aid until they resolve this debt. These students wanted to go to school to learn a skill so that they would be able to work to support themselves and their families. Without this education many of them were not able to do so. They are still lacking the education they sought, and where before they were unable to support themselves, now they cannot only not support themselves, but they have no way of paying back their student loans. They are trapped in a cycle which offers no way out without a miracle—or a change in the law.

Some of these students are misled by greedy schools that recruit ill-prepared students and then load them up with loans telling them that they are really getting grants. Some of these students are prepared for the educational program but the school is lacking the materials and the resources to provide adequate instruction. The students complete the program without gaining the skills to compete in the work force. Some schools close down and declare bankruptcy leaving students without any education to show for it. There are thousands of students in my district and across this country with these problems and more. These students are unable to repay their loans—not unwilling.

The Vento amendment offers the students a solution. Not a free ride, but a solution. The Vento amendment says that these students, who were cheated out of their education and out of their money, must show a commitment to repaying their loans for 6 months. Their monthly payments would be determined according to their total financial circumstances and their ability to make payments on a monthly basis. Once these students have fulfilled their obligation to make these 6 monthly payments, demonstrating their commitment to work their way into a better life, the students' eligibility for Federal student aid would be renewed.

Following this course of action these students will suddenly find their lives are once again full of promise. They will be able to return to school and get the education they need

to be able to repay both loans and lead a better life.

This new repayment option is very important to the students, to the communities in which they live and to the Nation as a whole. The debt the Government bears to repay loans in default is substantial. There are many people who default on their loans because they are looking for a free ride and assume that nothing will happen to them if they do so. The committee has taken steps to prevent these types of default. There are other people who default not out of any maliciousness, but because of circumstance or fraud.

The Vento amendment provides a pathway for these students to find their way out of default. Through this pathway they will be able to repay their loans, thus repaying the Government and lessening the Government bill. They will not only support themselves and their families but will be able to provide financial support to their communities through taxes and general support by being productive members of their communities.

I applaud Mr. VENTO for offering this amendment of behalf of the students and their communities—all of which will benefit. I urge my colleagues to support this amendment.

Mr. HATCHER. Mr. Chairman, I rise today to express my strong support for H.R. 3553, a bill to expand and improve upon the Higher Education Act of 1965. As a former teacher and student under the GI bill, I understand the importance of financial assistance in seeking a higher education.

This bill incorporates the lessons learned in the years since President Johnson signed into law the original, landmark legislation. At the time, President Johnson promised that the Higher Education Act would ensure that "a high school senior anywhere in this great land of ours can apply to any college or any university in any of the 50 States and not be turned away because his family is poor." In recent years, as college costs have skyrocketed and the value of Federal financial aid has declined, we have not followed through on this promise.

With this legislation, we can reaffirm the Federal Government's commitment to support postsecondary education for all Americans. The Education and Labor Committee under the leadership of Chairman FORD has done a remarkable job in putting this bill together, and I commend my colleagues on the committee for their diligent efforts. They have crafted a bill that represents a significant investment in our Nation's human capital—our young people. Investing in this key resource is essential for the future growth of our economy.

H.R. 3553 expands the access of hard-pressed middle-class families to Federal financial aid programs. An additional 1.1 million students will become eligible for Pell grants in the first year of the authorization. An additional 350,000 students from middle-income families will qualify for guaranteed student loans. Families will no longer have the equity in their homes, farms, and small businesses included in the calculation of their children's eligibility for student assistance. These provisions are characteristic of the commitment we are making in this bill to significant and fundamental changes in Federal support for higher education.

I support the existing, successful programs that are continued under this legislation. These success stories include programs to assist historically black colleges and universities, special programs for students from disadvantaged backgrounds, the TRIO program, and programs to support teacher recruitment and training.

Mr. Chairman, I learned the importance of education from my mother, an elementary school teacher in rural south Georgia, who taught me and many others. I come from an area of the country where many people can only pursue a college education with financial assistance. The Federal Government made it possible for me to earn a higher education, and we must assist this generation with the same opportunity. The future of our country depends on a strong Federal commitment to education and I intend to work diligently toward this goal.

Mr. MCCANDLESS. Mr. Chairman, it is with much regret and disappointment that I find myself forced to depart for the airport prior to final passage of H.R. 3553, the Higher Education Reauthorization Act. Unfortunately, previously scheduled engagements in my district require that I be in California early tomorrow morning. I am nonetheless pleased by the progress of this bill, and feel that its passage is in the best interests of the American people. Mr. Chairman, let me state for the record that had I been able to remain to vote on final passage of H.R. 3553, I would have cast an "aye" vote.

Mr. HOAGLAND. Mr. Chairman, I want to express my support for H.R. 4471, a bill to reauthorize the Higher Education Act of 1965, the law that created the college student loan and grant programs. This is a very important bill, for it is through the Higher Education Act that the dream of access and opportunity for a college education becomes a reality.

With the end of the cold war, the national strength and status of the United States as a great power now depends on our ability to compete in an international economy. The productivity of our citizens depends on our investments in education and training. Unfortunately, working- and middle-class families, the traditional source of productive workers, are seeing the dreams of higher education for their children slip away as our standard of living declines and as our support for Federal education programs decline.

In the last decade those with incomes below the top 20 percent saw their incomes either stagnate or decline when adjusted for inflation. Meanwhile costs at public and private colleges have increased two to three times faster than the growth in median family income. Many working families can no longer afford to send their children to college. For example, an 18- to 24-year-old from a family with an income between $15,000 and $30,000 is less than half likely to be in college as an 18- to 24-year-old from a family with an income above $50,000.

College costs have increased significantly throughout the 1980's. Between the academic years of 1980 and 1990, in constant dollars, college costs have increased by 27 percent for public universities and 54 percent for private universities.

Working-class families can also no longer call on their traditional financial reserve, sending mom to work, to meet the cost of a college education for their children. Mom has already gone to work for the families fortunate enough to have two wage earners. These dual incomes are now becoming barely sufficient to maintain their current standard of living.

In Nebraska, nearly 22,000 high school graduates attend the University of Nebraska in Lincoln, our largest education institution. For the 1990 school year, resident tuition room and board averaged $4,800 per student. Of a total of 24,453 students attending the university, almost 50 percent rely on financial aid in some form. I want to ensure that not one of these students is denied the opportunity to attend the university.

Since the Federal Government provides 75 percent of total financial aid available to students, the reauthorization of the Higher Education Act is an opportunity to improve our current structure. And improvements are desperately needed.

The value of the Pell grant has declined. Where it covered 41 percent of the costs of education in 1980, today it covers only 26 percent. As the value of grant assistance has declined, students, including low-income students, have increasingly come to rely on loans to finance their education. Cumulative student debt has increased almost five times between 1980 and 1989, creating a newly—there is a newly indentured class in the United States, the student debtor.

I believe the bill before us begins to address these concerns.

EXPANDING PELL GRANTS

Under the bill, in the first year, an estimated 5 million students would be eligible for an increased grant or would be newly eligible to receive a Pell grant. The bill provides for a maximum Pell grant of $4,500 for the 1992–93 school year, with annual increases to keep pace with inflation.

DISADVANTAGED STUDENTS

For low-income students and for those who are the first in their family to attend college, this bill offers incentives for States to establish early intervention programs. Often many students and their families are not well informed about the availability of financial aid and the appropriate high school coursework required to succeed in a college. These programs are vitally important because they keep the doors of access and opportunity open for students who simply would not have the resources otherwise.

SIMPLIFYING NEEDS ANALYSIS

H.R. 4471 simplifies the student aid application process. Many argue that the sheer complexity of the process has done more harm than good, discouraging families from even trying to participate. This bill provides for a needs analysis for all Federal student aid programs.

In addition, H.R. 4471 removes the consideration of farm and home equity for families with incomes of less than $50,000. This will help give more working families access to Pell grants, guaranteed loans, and campus-based aid.

RESTORING PUBLIC INTEGRITY

H.R. 4471 makes major changes to enhance the integrity of the student aid programs. Unfortunately, student aid programs have been tarnished by reports of unscrupu-

lous schools and growing default costs. This bill includes nearly 100 provisions to strengthen controls on schools and colleges to end abuse and to minimize loan defaults.

One of the hallmarks of the American dream is that education opens the door to opportunity. Not only does education bring opportunity, it is a good investment for our Nation. For every dollar that students receive in student aid, they return about $4.30 to the Federal Government in taxes. Our true economic wealth depends on the development of the skills and productivity of our citizens. H.R. 4471 goes a long way in assuring that the education needs of all our citizens are met.

Mr. COX of Illinois. Mr. Chairman, I would like to take this opportunity to comment on the title III Institutional Aid Program and the wait-out period for institutions receiving part A grants under this title.

I fully understand the original intent of insuring that these grants are available to as many institutions as possible and I fully support that intent. However, a 5-year wait-out period for institutions receiving these grants could have a significant impact on the ability of an institution to meet the new and critical needs of its students. Rising unemployment, growth in student attendance, or unpredicted budget cuts could have a dramatic effect on an institution's ability to meet the needs of its students. That effect could be disastrous to the students if an institution is unable to respond, even with the opportunity for title III aid.

Students in my State, and I believe most States, would be best served if the wait-out period was reduced to no more than 1 year. This would allow the neediest of institutions from being cut off from funds they may drastically need. When a college engages in the successful utilization of title III grants to meet the needs of its students, it should not be penalized in a manner which may jeopardize its future success in meeting those needs.

I support the adoption of language similar to the Senate reauthorization legislation and hope that this Chamber will move in that direction. That legislation eliminates the 5 year wait-out, but establishes preference for institutions who have not recently obtained these grants. I believe this is a more fair and practical approach to the awarding of this funding.

Mr. PETERSON of Florida. Mr. Chairman, as many Members of this House know, education is among my highest priorities. Since beginning my first year in Congress, I have been actively involved in the reauthorization of the Higher Education Act, H.R. 3553. In fact, I was an early cosponsor of this legislation. I believe that it is imperative that we make access to a postsecondary education available to all Americans, regardless of family income. This bill goes a long way toward making this vision a reality.

I had anticipated debating the merits of this bill with my colleagues. However, I am, regretfully, unable to partake in the March 26, 1992 debate and subsequent vote on this bill and its proposed amendments, as I was appointed, along with former U.S. Ambassador to the Soviet Union Malcolm Toon, chairman of the Senate Select Committee on POW/MIA Affairs Senator JOHN KERRY, ranking minority member Senator ROBERT SMITH, and Congressman JOHN MILLER, to serve on a joint American/Russian POW–MIA Advisory Commission, which convened in Moscow this week. The Commission has been formed in response to Russian President Yeltsin's request to President Bush for the United States and Russia to work jointly to help settle the ongoing POW–MIA issue in both countries.

This is an important and critical step for the United States and Russia as we seek to determine the fate of the thousands of Americans who remain unaccounted for during the hostilities over the past 50 years. Furthermore, the actions of this Commission are in keeping with my commitment that our country must do everything possible to ensure that Americans will never be forgotten or abandoned in a foreign land.

This is an issue that is intensely personal to me as I was a prisoner of war in Vietnam for 6½ years. I consider it an honor and a privilege to have been appointed to serve on this Commission, and I believe that I would be doing a disservice to all those who are unaccounted for if I was to neglect my appointed duties.

Mr. Chairman, I would like to express my gratitude to you for appointing me to this position. However, I would also like to express my disappointment that I am unable to participate in the debate on the reauthorization of the Higher Education Act and its amendments.

As a former faculty member of Florida State University through the psychology department's special program at Dozier School for Boys in Marianna, I have a special understanding of the importance of education. We need to increase the educational opportunities available to kids from low- and middle-income families. We need to expand the student aid available to people who cannot currently afford to attend a postsecondary institution. This bill does that and more. By increasing the availability of grants, this bill makes it possible for students from low-income families to seek a postsecondary education without taking on overwhelming debt.

In short, Mr. Chairman, education is the key to America's future. We as legislators must do everything in our power to help individuals pursue their innermost goals, and the best way to do this is to ensure that they will be able to receive a higher education if they wish.

Again, I am disappointed that I am unable to partake in the House proceedings regarding the reauthorization of the Higher Education Act. However, I am confident that my constituents, as well as the Members of this body, understand the reason for my absence.

Mr. Chairman, had I been present on March 25, I would have voted "aye" on rollcall No. 55, which was to override the President's veto of H.R. 4210. On March 26, had I been present, I would have voted "nay" on rollcall No. 56, the Henry amendment to H.R. 3553; "nay" on rollcall No. 57, the Gradison amendment; "aye" on rollcall No. 58, the Towns substitute to the Coleman amendment; "aye" on rollcall No. 59, the Coleman amendment; and "nay" on rollcall No. 61, the Rohrabacher amendment. And, Mr. Chairman, had I been present on March 26, I would have voted "aye" for final passage of H.R. 3553.

Mr. STOKES. Mr. Chairman, I rise in support of H.R. 4471, the Higher Education Act Amendments of 1992. I would like to commend the gentleman from Michigan [Mr. FORD] for the skill and leadership he has exhibited in bringing this vital measure to the floor for consideration.

H.R. 4471 reauthorizes the Pell grant, Guaranteed Student Loan Program, Federal student financial aid, institutional aid, and other Higher Education Act Programs which are scheduled to expire at the end of fiscal year 1992. This measure expands Federal student financial aid to students from middle-class families and attempts to correct the imbalance between student reliance on loans versus grants.

The bill also contains provisions intended to improve programs that serve historically black colleges and universities [HBCU's]. As you know, Mr. Chairman, HBCU's enroll approximately 300,000 students, the majority of whom are from low-income families and are dependent on Federal financial aid to pursue a higher education. The expansion of the student aid programs in H.R. 4471 should provide much needed assistance to these students.

More specifically, provisions of the bill include: First, an increase in the maximum awards for Pell grants. The maximum amount of awards will be increased by $2,100, bringing the total maximum authorization up to $4,500; second, expansion of the Guaranteed Student Loan Program to include more middle-class students, and allow students, regardless of family income, to borrow up to the maximum limit; (3) simplification in the need analysis calculations; (4) establishment of a direct loan demonstration program that would include institutions of higher education that represent a cross-section of all institutions; and (5) elimination of the provisions contained in last year's Unemployment Benefits Extension Act (Public Law 102–164) that require credit checks on certain applicants who apply for student loans.

Mr. Chairman, throughout the 1980's, college costs have increased much faster than both median family income and Federal student financial assistance. Between 1980 and 1990, college costs increased by 27 percent for public universities, and 54 percent for private universities. However, during this period, the value of Federal financial aid has increased by only 23 percent, and the median family income has increased by only 15 percent.

The value of grant awards also has declined. In fiscal year 1979, the maximum Pell grant award covered almost half of the average cost of attendance. Currently, it covers about one-fourth of these costs. As a result of these trends, many students, particularly low-income students, increasingly have relied on loans to finance their education. Currently, 64 percent of the $18.4 billion in aid available to students will be in the form of loans, while 36 percent will be in the form of grants and work opportunities. This is the opposite of what was true a little over a decade ago.

Mr. Chairman, the bill we have before us today addresses these trends and will put programs in place which will allow all students an equal opportunity to receive a higher education. It is for this reason that I support H.R. 4471 and ask my colleagues to join me in support of its final passage.

Mr. CUNNINGHAM. Mr. Chairman, I rise in support of the Higher Education Act, and sup-

port the effort to improve access and reaffirm our commitment that no child who strives to achieve should be denied.

It has long been my policy to vote for increased funding for educational programs. It is my belief that our strongest defense against economic demise is to educate our children. If we feel that we cannot afford to educate our youth, we must stop to examine the cost of the housing projects, welfare programs, and police officers that will be needed to take care of those we leave behind.

The most difficult obstacle facing those seeking further education is access to funding. This bill offers reform in this arena, making moneys more readily available to those who need it most.

As a former teacher, I am keenly aware of the troubles in securing financing for higher education. We send our children mixed messages. We tell them to continue their education by attending college, yet a college education has become prohibitively expensive for many Americans.

Last fall I hosted a technology fair for eight high schools in my district. Local technology companies participated with interactive demonstrations. The interest that was sparked in these students was remarkable. At a time when this country is experiencing a void in the field of sciences, it is imperative that we pass legislation that can make this dream attainable.

A great deal of effort was put forth while drafting this bill to put an end to the abuse that is costing our system billions of dollars in defaulted loans. I strongly support this effort, as it will make funds available to others with financial need.

I must also salute the effort that has been made to increase funding for historically black colleges. It is time that all aspects of our society reach their highest educational potential.

I am particularly pleased to rise in support of the Higher Education Act because of the advanced placement language that has been included.

On November 26, 1991, I introduced the Higher Education Access Act. This legislation would eliminate the existing financial deterrent that impedes many high school students from taking advanced placement or AP courses.

My bill would allow for a Federal waiver to students who meet predetermined financial criteria. Currently, the cost of the AP test is $65. For many students, it is not unusual to take two or three AP courses in a single academic year. For financially constricted families, paying $130 to $195 for testing is simply out of the question. Statistics show that should this fee be waived, more students would be apt to take AP classes.

Students who pass an AP test receive credits for their undergraduate requirements. Because those students who will qualify for the AP waiver will also qualify for Federal tuition assistance, the cost savings to the Federal Government will be great.

Simply put, $65 for 2-hour college course is a bargain.

I applaud the efforts of my colleagues on the Education and Labor Committee in drafting this progressive bill. I invite all Members to join me in support of this legislation.

Mr. KYL. Mr. Chairman, when the higher education reauthorization was first discussed in the fall, I was very disturbed by reports about defaults on Federal student loans. Last year alone, the cost to the American taxpayer was estimated at $2.9 billion. The bill addresses that problem, and I agree that some of the measures proposed by this bill are necessary to prevent abuse and wasteful expense.

However, I am concerned about the effect parts of this legislation may have on proprietary schools which are successfully training and educating their students. These schools have been particularly concerned with the lowering of the cohort default rate, the elimination of short-term programs from Federal aid eligibility, and the conversion of clock to credit hours. While I certainly agree with the intent of these provisions—to eliminate bad apples from the Federal financial aid program—I also understand that the problem is not that simple. More thoughtful, detailed language is necessary to balance the concerns of the American taxpayer and the ability of proprietary schools to continue to provide technical education to their students. I strongly believe we should consider more targeted solutions which would better distinguish between a school which abuses the system and one which does not.

Mr. Chairman, I believe action must be taken to improve the integrity and accountability of the financial aid program. But I am concerned that provisions of the reauthorization approach the problem too broadly, rather than applying phased or more narrow solutions. I encourage my colleagues to consider the contributions of our trade schools to our Nation's work force, and urge the conference committee to consider legislation which would allow the Secretary of Education more flexibility to examine schools on an individual basis.

Mr. MCMILLEN of Maryland. Mr. Chairman, I rise in support of H.R. 3553 and I congratulate the committee on crafting a piece of legislation which reflects the changing landscape of higher education in America. The committee has set a precedent we must follow. This bill clearly demonstrates a committment to the notion that higher education is a vital investment—an investment we cannot afford to overlook.

Increases in higher education costs have leapt beyond average family income increases. Federal financial aid levels have also fallen behind the pace. This legislation goes a long way to ensure that eager minds have the opportunity to expand. It will provide a key for millions to open the door of future opportunity. And in the process, we as a single nation will profit.

For many years now, middle class families have been caught in a higher education nomans land—with incomes too high for Federal help and incomes too low for college costs. By expanding eligibility for guaranteed student loans and by increasing Pell grant amounts, this bill will provide relief to over 2 million individuals in these deserving families.

The bill boosts funding for programs which have proven successful and it strengthens safeguards against fly-by-night institutions and worthless degrees. Passage of this bill will allow the TRIO Program to continue its almost miraculous work tapping the potential of youth otherwise overlooked. I look forward to swift approval of this exciting measure. It is a tangible investment in the future of our Nation.

Mr. SANTORUM. Mr. Chairman, I rise in support of H.R. 4471, but I do so with the following reservation. It is my opinion that this body has not given necessary consideration to a number of amendments which could prove extremely hurtful to vocational and other proprietary schools.

Mr. Chairman, Ms. Waters' amendments in particular place excessive burdens on proprietary schools. If enacted, these amendments would force vocational schools out of business and, as a result, deprive our Nation of thousands of skilled graduates who become tomorrow's skilled workers.

Ms. WATERS is motivated by the hope that her amendments will eliminate fraudulent schools from acquiring Pell grant and student loan money in bad faith. The amendments, however, go too far. In her attempt to get rid of the bad apples Ms. WATERS destroys the orchard.

The tremendous negative impact that these amendments will have on our Nation's proprietary schools mandate that they be carefully scrutinized, Mr. Chairman. I urge, therefore, that the conferees carefully reconsider these amendments in conference.

Mr. POSHARD. Mr. Chairman, most American parents and students have been understandably concerned about whether they can afford the cost of a college education now or in the years to come. In passing H.R. 3553, the Higher Education Act reauthorization bill, we take a vital step in assuring opportunities not only for those least likely to seek higher education because of financial need and social status, but middle income families as well. I believe the single greatest need the middle income family has from the Federal Government is help getting their children through college. Wealthy families have the greatest choice of where to attend college. We have improved opportunities for the poorest of American families to achieve the goal of a college education. But the average American family is falling behind. This bill begins to answer this essential need.

While we failed in passing a Pell grant entitlement provision, the increased Pell grant award and higher income levels for eligibility, are among the many needed and meaningful changes included in the bill.

Equally important are the bills' provisions addressing teacher excellence, training, and recruitment. Students cannot expand their learning capabilities when teachers are inadequately trained and under qualified. Undoubtedly, improving the quality of teaching is at the core of education reform, and the provisions of H.R. 3553 will be a positive step in that direction.

We have many priorities in this country, but education has to be at the top. We know the extremely positive influence education has on the social and economic well-being of our Nation, and we do ourselves a favor by striving to afford everyone who wishes it the opportunity to reach their higher education goals. For these reasons, I am wholeheartedly supporting this higher education reauthorization initiative.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. PEASE, Chairman of the Committee of the Whole House on the State of the Union, reported that that committee having had under consideration the bill (H.R. 3553) to amend and extend the Higher Education Act of 1965, pursuant to House Resolution 403, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. FORD of Michigan. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 365, nays 3, not voting 66, as follows:

[Roll No. 62]

YEAS—365

Abercrombie	Bentley	Camp
Ackerman	Bereuter	Campbell (CA)
Alexander	Bilbray	Campbell (CO)
Allard	Bilirakis	Cardin
Allen	Blackwell	Carper
Anderson	Boehlert	Carr
Andrews (ME)	Bonior	Chandler
Andrews (NJ)	Borski	Chapman
Andrews (TX)	Boucher	Clay
Annunzio	Brewster	Clement
Anthony	Brooks	Clinger
Applegate	Broomfield	Coble
Aspin	Browder	Coleman (MO)
Atkins	Brown	Coleman (TX)
Bacchus	Bruce	Collins (IL)
Barnard	Bryant	Collins (MI)
Bateman	Bustamante	Combest
Beilenson	Byron	Condit
Bennett	Callahan	Conyers
Cooper	Hamilton	Martin
Costello	Hammerschmidt	Matsui
Cox (CA)	Hancock	Mavroules
Cox (IL)	Hansen	Mazzoli
Coyne	Harris	McCloskey
Cramer	Hastert	McCollum
Cunningham	Hatcher	McCurdy
Darden	Hayes (IL)	McDade
de la Garza	Hayes (LA)	McDermott
DeFazio	Hefley	McGrath
DeLauro	Hefner	McHugh
DeLay	Henry	McMillan (NC)
Dellums	Hertel	McMillen (MD)
Derrick	Hoagland	McNulty
Dickinson	Hobson	Meyers
Dicks	Hochbrueckner	Mfume
Dingell	Holloway	Michel
Dixon	Hopkins	Miller (CA)
Dooley	Horn	Miller (OH)
Dorgan (ND)	Horton	Mineta
Dornan (CA)	Houghton	Mink
Downey	Hoyer	Moakley
Dreier	Hubbard	Molinari
Duncan	Huckaby	Mollohan
Durbin	Hughes	Montgomery
Dymally	Hunter	Moody
Early	Hutto	Moorhead
Eckart	Hyde	Moran
Edwards (CA)	Inhofe	Morella
Edwards (OK)	Ireland	Murphy
Edwards (TX)	Jacobs	Murtha
Emerson	James	Myers
Engel	Jefferson	Nagle
English	Johnson (SD)	Natcher
Erdreich	Johnson (TX)	Neal (MA)
Espy	Johnston	Neal (NC)
Evans	Jones (GA)	Nichols
Fascell	Jones (NC)	Nowak
Fawell	Jontz	Nussle
Fazio	Kanjorski	Oakar
Fields	Kaptur	Oberstar
Fish	Kasich	Obey
Flake	Kennedy	Olver
Foglietta	Kildee	Ortiz
Ford (MI)	Kleczka	Orton
Ford (TN)	Klug	Owens (NY)
Frank (MA)	Kolbe	Owens (UT)
Franks (CT)	Kopetski	Oxley
Frost	Kostmayer	Packard
Gallegly	Kyl	Pallone
Gallo	Lagomarsino	Panetta
Gaydos	Lancaster	Parker
Gejdenson	Lantos	Pastor
Gekas	LaRocco	Patterson
Gephardt	Leach	Payne (NJ)
Geren	Lehman (CA)	Payne (VA)
Gibbons	Lent	Pease
Gilchrest	Levin (MI)	Pelosi
Gillmor	Lewis (CA)	Penny
Gilman	Lewis (FL)	Perkins
Gingrich	Lewis (GA)	Peterson (MN)
Glickman	Lightfoot	Petri
Gonzalez	Lipinski	Pickett
Goodling	Livingston	Pickle
Gordon	Lloyd	Porter
Goss	Long	Poshard
Grandy	Lowery (CA)	Price
Green	Lowey (NY)	Quillen
Guarini	Luken	Rahall
Gunderson	Machtley	Ramstad
Hall (OH)	Manton	Rangel
Hall (TX)	Marlenee	Ravenel
Ray	Sensenbrenner	Taylor (NC)
Reed	Serrano	Thomas (WY)
Regula	Sharp	Thornton
Rhodes	Shaw	Torres
Richardson	Shays	Towns
Rinaldo	Shuster	Traficant
Ritter	Sikorski	Unsoeld
Roe	Skaggs	Upton
Roemer	Skeen	Valentine
Rogers	Skelton	Vander Jagt
Rohrabacher	Slattery	Vento
Ros-Lehtinen	Slaughter	Visclosky
Rose	Smith (FL)	Volkmer
Rostenkowski	Smith (IA)	Vucanovich
Roth	Smith (OR)	Walker
Roukema	Snowe	Walsh
Rowland	Solarz	Washington
Roybal	Spence	Waters
Sabo	Spratt	Weber
Sanders	Staggers	Weiss
Sangmeister	Stallings	Weldon
Sarpalius	Stearns	Wheat
Savage	Stokes	Williams
Sawyer	Studds	Wise
Saxton	Sundquist	Wolf
Schaefer	Swett	Wyden
Scheuer	Swift	Yates
Schiff	Tallon	Young (AK)
Schroeder	Tanner	Zeliff
Schulze	Tauzin	Zimmer
Schumer	Taylor (MS)	

NAYS—3

Crane	Doolittle	Stump

NOT VOTING—66

Archer	Herger	Riggs
Armey	Jenkins	Roberts
AuCoin	Johnson (CT)	Russo
Baker	Kennelly	Santorum
Ballenger	Kolter	Sisisky
Barrett	LaFalce	Smith (NJ)
Barton	Laughlin	Smith (TX)
Berman	Lehman (FL)	Solomon
Bevill	Levine (CA)	Stark
Bliley	Markey	Stenholm
Boehner	Martinez	Synar
Boxer	McCandless	Thomas (CA)
Bunning	McCrery	Thomas (GA)
Burton	McEwen	Torricelli
Coughlin	Miller (WA)	Traxler
Dannemeyer	Morrison	Waxman
Davis	Mrazek	Whitten
Donnelly	Olin	Wilson
Dwyer	Paxon	Wolpe
Ewing	Peterson (FL)	Wylie
Feighan	Pursell	Yatron
Gradison	Ridge	Young (FL)

□ 2010

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. FORD of Michigan. Mr. Speaker, pursuant to House Resolution 403, I call up the Senate bill (S. 1150) to reauthorize the Higher Education Act of

1965, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. FORD OF MICHIGAN

Mr. FORD of Michigan. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FORD of Michigan moves to strike all after the enacting clause of S. 1150 and insert in lieu thereof the text of H.R. 3553, as passed by the House, as follows:

[The bill will be printed in a subsequent issue of the RECORD.]

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read: "A bill to amend and extend the Higher Education Act of 1965."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 3553) was laid on the table.

APPOINTMENT OF CONFEREES ON H.R. 3553, HIGHER EDUCATION AMENDMENTS OF 1992

Mr. FORD of Michigan. Mr. Speaker, pursuant to the rule, I move that the House insist on its amendment to S. 1150 and request a conference with the Senate thereon.

The motion was agreed to.

The SPEAKER. The Chair appoints the following conferees and without objection, reserves the right to appoint additional conferees:

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.

As additional conferees from the Committee on Foreign Affairs, for consideration of section 613 of the Senate bill, and modifications committed to conference: Messrs. FASCELL, BERMAN, WEISS, BROOMFIELD, and Ms. SNOWE.

There was no objection.

PERSONAL EXPLANATION

Mr. CLAY. Mr. Speaker, I wish to take this opportunity to explain that I did not support the Coleman amendment to prohibit the extension of Pell grants to prisoners. I incorrectly cast my vote on this amendment to the Higher Education Act. On rollcall No. 59 my vote should have been "no."

PERSONAL EXPLANATION

Mr. MILLER of Washington. Mr. Speaker, I was unable to be on the House floor when the House voted on H.R. 3553, the reauthorization of the Higher Education Act. Had I been here, I would have voted:

"Nay," on the Henry amendment;

"Yea," on the Gradison amendment;

"Yea," on the Coleman amendment;

"Nay," on the Towns substitute to the Coleman amendment;

"Yea," on the Rohrabacher amendment; and

"Yea," on final passage H.R. 3553, notwithstanding the failure to adopt any of the preceding amendments.

PERSONAL EXPLANATION

Mr. LAFALCE. Mr. Speaker, I was unavoidably absent for rollcall vote 62, passage of H.R. 3553, the reauthorization of the Higher Education Act. Had I been present for this vote I would have voted "yea."

PERSONAL EXPLANATION

Mr. MORRISON. Mr. Speaker, due to a longstanding commitment back in my home State, I was unable to be in Washington, DC for the discussion and passage of the Higher Education Act reauthorization. As a cosponsor of the original H.R. 3353, I am a strong supporter of this legislation, and regret that I did not have the opportunity to cast my vote with my colleagues. Had I been here I would have voted "nay" on rollcall No. 56, No. 58, and No. 61. I would have voted "yea" on rollcall No. 57, No. 59, and No. 62.

PERSONAL EXPLANATION

Mr. BALLENGER. Mr. Speaker, due to business in my congressional district, I missed rollcall votes No. 61 and No. 62. If I had been present, I would have voted "aye" on rollcall No. 61 and, reluctantly, voted "yea" on rollcall No. 62 because of the potential costs associated with the uncapped direct student loan pilot program contained within the bill.

PERSONAL EXPLANATION

Mr. MCCANDLESS. Mr. Speaker, I ask permission to extend my remarks pertaining to rollcall No. 59. On the Coleman amendment, which would prohibit Pell grants to prisoners, I inadvertently voted "nay." As I was an original cosponsor of a bill by Mr. GORDON which had the same goal, I wish to correct this oversight. Although the Coleman amendment passed by a large margin, I want to indicate that my vote on it should be "aye."

PERSONAL EXPLANATION

Mr. SYNAR. Mr. Speaker, during consideration of H.R. 4471, the Higher Education Reauthorization Act, I was unavoidably detained and therefore missed two votes. Let the record reflect that had I been present I would have voted "no" on rollcall No. 61 and "aye" on rollcall No. 62.

PERSONAL EXPLANATION

Mrs. KENNELLY. Mr. Speaker, I was in Connecticut and missed four votes. Knowing the wide margin by which the Higher Education Act would be passed, I chose to keep a longstanding commitment at home. Had I been present and voting, I would have voted "no" on rollcall No. 58, "yes" on rollcall No. 59, "no" on rollcall No. 61, and "yes" on rollcall No. 62.

PERSONAL EXPLANATION

Mr. DANNEMEYER. Mr. Speaker, I was unavoidably absent for rollcall votes 56 through 62. Had I been present during these votes, I would have voted "yea" on rollcalls 56 and 57, "nay" on rollcall 58, "yea" on rollcall 59 and 61 and "nay" on rollcall 62.

AUTHORIZING CORRECTIONS IN ENGROSSMENT OF H.R. 3553, HIGHER EDUCATION AMENDMENTS OF 1992

Mr. FORD of Michigan. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill, H.R. 3553, the Clerk be authorized to make corrections in section numbers, punctuations, and cross-references and to make such other technical and conforming changes as may be necessary to reflect the actions of the House in amending the bill, S. 1150.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

GENERAL LEAVE

Mr. FORD of Michigan. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on H.R. 3553, the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

THE PASSAGE OF H.R. 3553

(Mr. GOODLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOODLING. Mr. Speaker, we have spent a lot of time complimenting the chairman and the ranking member of the Higher Education Committee, and they sure deserved all of our accolades. However, Mr. Speaker, I think I should also call our attention to some people who worked long and hard for many, many months: Tom Wolanin, Maureen Long, Allen Lopatin, Dianne Stark, Pat Rissler, Pierce Myers, Steve Cope, and other legislative counsel, Rose DiNapoli, Jo Marie St. Martin, Dr. Andy Hartman, Randy Johnson, Jay Eagan, Linda Castleman, Deborah Samantar, and Amy Lozupone, and for anyone I missed I apologize because they were all just great.

Mr. FORD of Michigan. Mr. Speaker, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Speaker, I would like to, as the saying goes, associate myself with the gentleman's remarks, and I thank him for doing this bill.

I would also like to observe, Mr. Speaker, that this bill originally came out of the committee on a straight party-line vote, and then the serious members of the committee on both sides started working together, and we ended up with only three no votes tonight. I think that is a tribute to people on both sides of the aisle and the fact that they are willing because of the purpose we were trying to achieve to sublimate some of our strongly held feelings and come to a conclusion that seems to fit and suit almost everybody in the House. That does not happen often around here, and I thank the Members of the minority for their cooperation and their staff for the way in which they worked with our staff.

But I also want to thank all the members. This is the largest subcommittee that has ever considered a higher education bill, and there is not a member on the committee on either side that did not make a material contribution to the final product, and I hope that will be recognized, particularly with regard to our newer members from both sides of the aisle who did an outstanding job in helping us fashion this legislation.

Mr. Speaker, I thank the gentleman from Pennsylvania [Mr. GOODLING] for yielding.

PROVIDING AMOUNTS FROM THE CONTINGENT FUND OF THE HOUSE FOR CONTINUING EXPENSES OF INVESTIGATIONS AND STUDIES BY STANDING AND SELECT COMMITTEES OF THE HOUSE FROM APRIL 1, 1992, THROUGH APRIL 30, 1992

Mr. GAYDOS. Mr. Speaker, I offer a resolution (H. Res. 409) and I ask unanimous consent for its immediate consideration in the House.

The Clerk read the resolution, as follows:

H. RES. 409

Resolved, That, there shall be available from the contingent fund of the House such amounts as may be necessary for continuance of necessary investigations and studies by each standing committee and select committee of the House in the second session of the One Hundred Second Congress for the period beginning immediately after midnight on March 31, 1992, and ending at midnight on April 30, 1992, on the same terms and conditions as amounts were available to such committees for the period beginning at noon on January 3, 1992, and ending at midnight on March 31, 1992, pursuant to clause 5(f) of rule XI of the Rules of the House.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. WALKER. Mr. Speaker, reserving the right to object, and I shall not object, but I just want to be informed on the details. My understanding is that this is a continuing resolution for 30 days.

Is that correct?

Mr. GAYDOS. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Pennsylvania.

Mr. GAYDOS. That is correct.

Mr. WALKER. In addition, it is at a freeze level; is that correct?

Mr. GAYDOS. Yes. We have a House rule that sets the period of January, February, March to be at 9 percent. We must adhere to that. For all intents and purposes, yes, it is a continuation.

Mr. WALKER. A continuation at this year's funding level?

Mr. GAYDOS. Yes.

Mr. WALKER. Further reserving the right to object, Mr. Speaker, it is my understanding that the idea here is that within the next 30 days we may in fact be able to come to some agreements about some House reforms and some things in that area that might affect the committee funding resolution in that this would also give us time then to include any such changes, or modifications or concepts into this resolution as it comes to the floor after 30 days.

Is that correct?

Mr. GAYDOS. Mr. Speaker, let me respond to the gentleman from Pennsylvania [Mr. WALKER] as concisely as I can.

Reforms per se, as such, belong to the whole House, as my friend knows. It is incorporated into the rules and regulations of the House, is adopted by the House and the committee, although in the past we have a record of trying to help the committees work together, and, if the gentleman wants to call some of those reforms in there, yes, we have always, continually always, considered them. But basically and fundamentally any real efficient reforms must come to the regular procedure and the rules of the House.

Mr. WALKER. I understand that, and obviously we are going to be working as a whole body, minority and majority, in an attempt to effect some of these things, but I think that this is a useful way to handle the present problem. I think we would probably run into a buzzsaw if we came out here with a full-blown resolution at this point, and what the gentleman is doing is useful in helping us proceed forward, hopefully toward some resolution of these matters, and I want to congratulate him for doing what he is doing here this evening.

Mr. GAYDOS. Mr. Speaker, I appreciate what my friend, the gentleman from Pennsylvania [Mr. WALKER] says. I want him to know that our record shows that there is close cooperation between the minority and majority on many items affecting this resolution, what it pertains to.

Mr. WALKER. Mr. Speaker, I thank the gentleman from Pennsylvania [Mr. GAYDOS].

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION PROVIDING FOR FURTHER CONSIDERATION OF H.R. 3732, BUDGET PROCESS REFORM ACT OF 1992

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 102-470) on the resolution (H. Res. 410) providing for further consideration of the bill (H.R. 3732) to amend the Congressional Budget Act of 1974 to eliminate the division of discretionary appropriations into three categories for purposes of a discretionary spending limit for fiscal year 1993, and for other purposes, which was referred to the House Calendar and ordered to be printed.

□ 2020

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I ask for this time that I might inquire of the distinguished majority leader the program for the balance of this week and next week.

Mr. GEPHARDT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to the gentleman from Missouri.

Mr. GEPHARDT. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, we are obviously finished with votes today. There will be no votes on tomorrow.

On Monday, March 30, the House will meet at noon to consider four bills on suspension, but recorded votes on suspensions will be postponed until Tuesday, March 31.

The four bills to be considered are: S. 1743, the Arkansas Wild and Scenic Rivers Act; House Joint Resolution 402, approving the location of a memorial to George Mason; H.R. 1558, Panama Canal Act Amendments; and H.R. 3292, regarding Presidential election campaign funds and closed captioning television commercials.

On Tuesday, March 31, the House will meet at noon to consider any votes that would be called on suspensions, plus H.R. 3732, the Budget Process Reform Act of 1992.

On Wednesday, April 1, and Thursday, April 2, the House will meet at

noon on Wednesday and 10:30 a.m. on Thursday. Immediately after the House convenes on Thursday there will be a recess for the purpose of receiving former Members of Congress.

The House will convene for legislative business at noon on Thursday. We will be taking up H.R. 4241, Resolution Trust Corporation financing, subject to a rule.

On Friday, April 3, the House will meet at 11 a.m., but there will not be legislative business and there will be no votes.

ADJOURNMENT TO MONDAY, MARCH 30, 1992

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at noon on Monday next.

The SPEAKER pro tempore (Mr. MCCURDY). Is there objection to the request of the gentleman from Missouri?

There was no objection.

HOUR OF MEETING ON WEDNESDAY, APRIL 1, 1992

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that when the House adjourns on Tuesday, March 31, it adjourn to meet at noon on Wednesday, April 1.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that the business in order under the calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

HOUR OF MEETING ON THURSDAY, APRIL 2, 1992

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that when the House adjourns on Wednesday, April 1, 1992, it adjourn to meet at 10:30 a.m. on Thursday, April 2, for the purpose of receiving in this Chamber former Members of Congress.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

AUTHORIZING THE SPEAKER TO DECLARE RECESSES ON THURSDAY, APRIL 2, 1992

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that it may be in order for the speaker to declare recesses, subject to the call of the Chair, on Thursday, April 2, 1992 for the purpose of receiving in this Chamber former Members of Congress.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

ALCOHOL POLICY AND COMMUNITY ACTION: AGENDAS FOR TODAY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Illinois [Mrs. COLLINS] is recognized for 5 minutes.

Mrs. COLLINS of Illinois. Mr. Speaker, I wish to both acknowledge and salute the efforts of the program participants at the Alcohol Policy VIII, a conference being held here in our Nation's Capital, March 25 through 29, which is designed to explore, develop and advocate public policies that will reduce alcohol-related problems. Many of the workshops will directly address issues that are currently being debated here in the Congress—such as health and safety messages on alcohol advertising, increasing Federal excise taxes on alcoholic beverages, and alcoholic beverage labeling.

I am deeply concerned about these issues for a number of reasons. First of all, in my hometown of Chicago, and in most other cities, there are five times as many billboards advertising alcoholic beverages in African-American and Latino communities than in white neighborhoods. Many of these billboards advertise malt liquor which can contain twice as much alcohol as regular beer and should not be advertised as a benign substance. It is the tragedy of unequal protection afforded inner-city consumers in the area of target advertising that concerns me.

From a business and marketing point of view, targeting is good. It is a proven, effective method of commercial speech that at its best, provides communities with the important consumer education they need. However, for many inner-city communities, targeting has also meant an unfair and often illegal concentration of commercial messages that encourage youth, already at great risk, to engage in unhealthy and dangerous activities.

One recent commercial that aired on the radio made a variety of sexual references to effects of malt liquor. The speaker in the ad was a popular female rapper who was just 19 years old at the time this commercial aired during the summer of 1991. Can you imagine not just the lyrics, but using a 19-year-old to promote a product that she, herself, cannot legally purchase or consume. This is totally irresponsible advertising.

Last summer, I protested against G. Heileman Brewing Co. for their planned introduction of PowerMaster, a malt liquor with an alcoholic content of some 50 percent more than regular beer. Subsequently, the Bureau of Alcohol, Tobacco and Firearms ordered the G. Heileman Brewing Co. to stop touting the alcoholic strength of their malt liquor beverages.

Mr. Speaker, I also voiced strong opposition to the implicit marketing practices targeting minority and low-income consumers with these kinds of alcoholic beverages, and am heartened by the ban of PowerMaster malt liquor. I am also very pleased that efforts were successful in finding these kinds of practices in violation of the Federal Alcohol Administration Act. Furthermore, I am happy to see Government crackdowns on these unethical targeting practices and applaud the action taken by the New York attorney general's office that reached a $50,000 settlement with the McKenzie River Corp. for its sophisticated marketing tactics targeting St. Ides Malt Liquor.

Mr. Speaker, inner-city communities are crying out to us, the Congress, not for special protection, but for equal protection against the unfair and illegal practices that target our youth and wreak havoc among families already at risk. This is their inalienable right as citizens and we can offer them no less.

ASIAN-AMERICAN QUOTA DISCRIMINATION IN COLLEGE ADMISSIONS MUST STOP

(Mr. ROHRABACHER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ROHRABACHER. Mr. Speaker, I intend to offer an amendment to the higher education bill that will put Congress on record against quotas in college admissions, quotas that severely impact Asian-American children.

The dirty little secret is that some institutions of higher learning are using quotas or separate racial tracks for admitting students to their schools.

Here is an article from the Los Angeles Times that has a copy of a letter received by an Asian-American applicant to the University of California at Berkeley Law School. The letter tells the student that "we can tell you that you are presently in the bottom half of the Asian waiting list.—" the words "bottom" and "Asian" are typed into blanks on a form. This is outrageous institutionalized racial discrimination. It is racism. It is wrong. It is illegal.

My amendment to H.R. 3553, states the sense of Congress that this practice should stop by vigorous enforcement of the Civil Rights Act. There has been much talk in this body about quotas. Those who oppose quotas and believe that people should be judged on their individual merits and accomplishments will vote for my amendment.

LAW SCHOOLS WEIGH VALUE OF WAITING LISTS FOR MINORITIES

(By Larry Gordon)

In reply to her application for admission to UC Berkeley's law school, an Asian-American woman last spring received what she called a "weird" letter.

She was disappointed but not surprised, considering the fierce competition, to learn that she had not been accepted right away and had been put on a waiting list. What did disturb her, she recalled, was being told in the letter that she was on "the Asian waiting list."

You'd think the law school would have been more careful about saying that,' said the woman, who asked not to be identified because she never made it into the school and plans to reapply this year.

Her letter was not unique. UC Berkeley's law school, known as a Boalt Haal, has kept separate formal waiting lists for Asians, blacks, Latinos and American Indians for a least 12 years and has notified applicants about being on such a list. Boalt officials say the practice is an unusually candid yet legal attempt to help minorities gain seats in the incoming class; it does not signify a racial quota system, they insist.

Now, however, the law school may get rid of those lists.

"The separate waiting list issue is something we are re-examining, not because it's been brought to our attention by an irate candidate but because we like to re-examine our policies every so often," said Edward Tom, who became Boalt's director of adminisions and financial aid last year.

Recent allegations of bias against Asians at UC Berkeley's undergraduate divisions also make this a good time to consider changing the waiting list policy at the law school, Tom said in response to an inquiry from The Times. He conceded that the waiting list letters might be easily misconstrued.

Boalt Prof. John Coons, who is chairman of the Admissions Committee, said he was not aware of the waiting list letters until a few days ago but said he expects the practice will be dropped this year for "cosmetic" reasons. The letters, Coons said, "are perhaps cosmetically upsetting to some people, and probably we were imprudent to use that particular practice."

Prof. Coons and others suggested that there may be an element of hypocrisy in the complaints from minorities about the letters, because minority applicants who disclose their race do so voluntarily in hopes of being given special consideration. "It sounds like their gripe is that they didn't get in," said another Boalt professor who asked not to be identified.

Some experts on affirmative action law say the Boalt lists may violate the 1978 Bakke decision by the U.S. Supreme Court. That controversial ruling forbade specific racial quotas for admission at the US Davismedical school but stated that race could be one of several considerations in admissions. As a result, the school enrolled Allan Bakke, a white student who had previously been rejected in favor of what he claimed were less qualified blacks.

PERFECTLY SENSIBLE

Coons insisted that the use of separate lists at Boalt does not violate the Bakke ruling. Nor would a decision to do away with the lists signify a retreat from affirmative action, he said. The waiting lists are "perfectly sensible" and are consistent with Boalt's goal of having minorities make up about 25% of a class, he said.

According to Admissions Director Tom, Boalt's current first-year class of 258 students includes 16 Asians, 19 blacks, 23 Latinos and three Native Americans.

In interviews, several legal educators across the country said they never heard of publicly acknowledged waiting lists separated by race, although they said that it is common practice to give qualified ethnic minorities an extra boost in admissions. They stressed that no quotas are kept, although most schools aim for such "goals" of minority representation because the legal profession is so overwhelmingly white.

IMPORTANT FACTOR

Betsy Levin, executive director of the Assn. of American Law Schools, said "most law schools look at what they can contribute to the legal education of the whole student body as well as to society." At the University of Colorado's law school, where she used to be dean, the admissions office treated ethnicity "as certainly an important factor but not the only one," according to Levin.

At Stanford University's law school, Admissions Director Dora Hjertberg said one waiting list is kept for all promising candidates who could not be accommodated in the first round. She said the school has an informal method of ensuring diversity. If, for example, a woman candidate who was accepted decides to attend another school, Stanford would probably seek to replace her with another woman; the same probably would be true in the case of black applicants, she said.

Boalt's previous admissions directors, Beth O'Neil, is now executive director of the Law School Admission Council, a national organization. She said she believes that other schools keep similar racial lists. "They may not be doing it in as public a way and may not be telling you that they are doing it," O'Neil said.

Without such lists, she said, it would be difficult to achieve ethnic diversity just by ranking waiting-list candidates by test scores and undergraduate grades. (Blacks and Latinos, as a group, tend to score lower than whites on law school admissions tests.)

According to O'Neil, Boalt never received a complaint about the letters in the 12 years she was an administrator there.

But even if the separate waiting lists are legal and well-intentioned, they make some people uneasy, according to Henry Der, executive director of Chinese for Affirmative Action, an organization that has been active in investigating claims of anti-Asian bias in the UC system. "What it does is cause a lot of resentment and suspicion," Der said. "People wonder if it becomes an upper ceiling against us."

QUOTA MENTALITY

John H. Bunzel, a senior research fellow at Stanford University's Hoover Institution who writes about affirmative action from a conservative viewpoint, agreed. "This comes awfully close to smacking of a quota mentality, and calling it a goal doesn't diminish it. Why not call it a quota?" said Bunzel, who was a member of the U.S. Civil Rights Commission in the Ronald Reagan Administration.

The Times was given a copy of one of the letters by Los Angeles attorney Richard M. Mosk, who is acquainted with the applicant who received it. Mosk is the son of state Supreme Court Justice Stanley Mosk, who wrote the 1976 California ruling ordering Bakke's admission to medical school—which the federal court upheld. Richard Mosk said he has not discussed the Boalt practice with his father.

Because of its distinguished reputation and relatively low tuition, Boalt always draws far more applicants than it can accept. About 15 percent of the 5,300 applicants last year were offered admission and about 40 percent of those accepted enrolled. Candidates on waiting list hope that somebody accepted in the first round will decide to attend another school. The number of candidates from the waiting list who eventually get admitted at Boalt varies from year to year according to Tom.

Whites are not told that they are on an ethnic list, just that they are on a list for either California residents or out-of-staters; because it is a state school, Boalt must not have more than a quarter of its class from outside California, he said.

THE BUDGET DEFICIT

(Mr. HOAGLAND asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. HOAGLAND. Mr. Speaker, as I have said previously during these 1-minute periods, I take the subway to work each morning. As I arrived at my station this morning, the down escalator was going up. I asked myself: was the escalator telling me to go home, not to work?

I came anyway, but colleagues, in my heart, I think the escalator is right. We might as well go home until we are willing to deal seriously with the deficit problem.

One of the most conscientious Members of Congress, Senator WARREN RUDMAN of New Hampshire, announced his retirement Tuesday. He has concluded that we, as an institution, have utterly failed to deal with the deficit problem. And David Broder wrote in the Washington Post yesterday about our failure to even talk honestly and forthrightly about the issue. I am asking that his article be made part of the RECORD today.

Senator RUDMAN and David Broder are right. Our collective failure over the last decade to deal with U.S. profligate borrowing and spending policies is propelling America down the road to economic chaos. The borrow and spend policies of the last 12 years are directly responsible for our declining standard of living. The Brookings Institution's distinguished economist Barry Bosworth tells us that two-thirds of all savings this fiscal year are being sucked out to fund the day-to-day operations of the Federal Government. The U.S. net national savings rate is at about 3 percent of national income. Japan's rate is about 12 to 15 percent; Germany's about 8 to 10 percent.

What this means is that the United States is putting all of our savings towards financing the budget deficit, leaving very little for capital investment. We don't have the resources left over for any significant investment. How can America hope to become competitive in the global marketplace at this rate?

As Senator RUDMAN said Tuesday, "How will we feel in the year 2000, those of us who were in the Senate in the 1980's and 1990's, as we watch the evening news reports of leaders in foreign governments dictating to the leadership of America the terms and conditions upon which they will loan us money to support our past profligacy?"

Colleagues, we are destroying the economic strength of our Nation. We must deal with the deficit and national debt issues openly, forthrightly and effectively. We must be willing to take political risks. We must all show leadership. Now.

Let us earn the respect of that escalator, so it will want to take us to work, instead of telling us to go home.

HOW TO FIX CONGRESS

(By David S. Broder)

When President Bush said the other day that the "congressional system is broken," no one was more likely to agree than the members of Congress themselves.

Weeks before the president spoke out in frustration (and with political calculation) against the legislative branch, a southern Democratic senator, with 20 years in the Capitol, expressed his own cynical rule for survival: "I never miss an opportunity to run against Congress and Washington. . . . If your people criticize Congress, join with them. You say, 'You are absolutely right. Those people up there don't know what they're doing. They don't know how to handle the budget. They don't know what to do about energy policy.' Not everybody, of course, does this sort of thing. I can think of some former members of Congress who didn't, and they're not here anymore."

A Midwestern Republican representative with 12 years experience said: "Everybody here [in Congress] is independent. Nobody is going to tell us . . . what to do, because, by God, they didn't get us here, and they're not going to keep us here. No party. No interest group. No nobody. We do it ourselves, and that is reflected in the structure and organization of the Congress. . . . We're down to the politics of personal survival in the extreme around this institution, and that inevitably leads to paralysis."

The two just quoted were among 16 members of the House and Senate, 10 Democrats and six Republicans, interviewed individually and with a promise of anonymity by George Washington University professor and former Senate staffer Lawrence N. Hansen in a project financed by the Joyce Foundation and Centel, a Chicago-based telecommunications company.

The idea was to let respected members of Congress respond candidly to an earlier report the same two organizations had sponsored, in which pollsters Peter D. Hart and Douglas Bailey documented and discussed the easily discernible public disillusionment with politics and government.

What Hansen found in his interviews is what reporters who cover Capitol Hill already know: However frustrated the voters are with Congress, the frustration is even greater for the conscientious members of the House and Senate (of whom there are many) struggling to do the job they came to Washington to perform.

Unlike the president, who for perfectly obvious partisan reasons chose to depict Congress as the villain of his political morality play, the Anonymous Sixteen quoted in Hansen's just-released report see broader dimensions to the problem. Both Democrats and Republicans concede that Congress is badly in need of structural repair. But they insist that no "reforms" of campaign financing or committee structure—not even a wholesale turnover in membership—will break the deadlock unless other things change.

What's lacking, they say, are the three things needed to make the dialogue of democracy real: leaders ready to talk truthfully about the hard choices the nation faces; a public ready to accept and understand those facts of life; and mass media that deal with these questions in more than 30-second sound-bite superficialities.

Because the politicians don't trust the public to accept these truths and the public doesn't trust the politicians to speak candidly, the massive volume of communication to and from Capitol Hill is so blocked by "layers of little deceptions, half-truths and delusions," as Hansen says in his summary, that "avoidance of uncomfortable policy choices has been elevated to an art form by both politicians and the public."

Four steps emerge from Hansen's discussions that might help break the deadlock and reduce the frustration the president, members of Congress and the public all share.

First, the presidential candidates need to focus the campaign and the voters' attention on their agendas for the nation. Bill Clinton and, as of last Friday's speech, George Bush have begun to do this—but neither with the clarity and honesty that really define the tough policy and budgetary choices that lie ahead.

Second, voters need to be told by both parties—and by the media—of the heavy costs of ticket-splitting that gives one party control of Congress and the other, the executive branch. As Hansen says, 'If citizens are weary of policy gridlock, then they should help end it by electing a government that cannot escape accountability for its stewardship."

Third, Congress needs to get busy now on the overhaul of its rules, committee structure and operations in order to reduce the incentives for individual abuse of incumbency perquisites and enhance its collective decision-making ability.

And fourth, the campaign finance system needs to be changed to permit and encourage competition in every state and district.

That will not guarantee the nation's needs will be met. But without these steps—and a public readiness to face up to the hard choices—the frustration is bound to increase and the confidence in our republican system of government will further corrode.

TRIBUTE TO FRIEDRICH HAYEK

(Mr. SCHULZE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHULZE. Mr. Speaker, about 1975–76 I was invited to a meeting just down the hallway from this Chamber with an economist named Friedrich Hayek. It was a meeting of the Republican study committee. I was extremely impressed by this man's theories, by his philosophy, and that led me to buy, not only one copy of his one book, but several others that he had written. I must tell my colleagues that my learning of his death yesterday has a profound impact. I think Friedrich Hayek probably has had as great and profound an influence on economics around the world as, let us say, few individuals have had in our time. So, it is with regret that I learn of Friedrich Hayek's death, and I hope that all of us will take the opportunity to get a copy of Hayek's book, "The Road to Serfdom," and read it.

Mr. Speaker, I take this occasion to pay my respect to Friedrich Hayek, a Nobel-winning economist, educator and author who died last Monday at age 92. Mr. Hayek's career in economics has had a tremendous impact on national and global economies.

His contribution to understanding the relationship between money and liberty spotlighted the fundamental principles upon which our Nation was founded.

Hayek's observations of human behavior were wholly positive. In fact, he believed that the inevitable behavior of people to trade goods and services, was the purest way to verify market realities. Hayek knew that Government controls artificially warp the realities of market forces.

He dedicated his life to teaching and advancing these truths and he lived to see himself vindicated from his critics through the fall of Communist regimes, the ultimate inhibition of free trade.

His legacy has enabled us to understand the rich potential of our future. Thank you, Friedrich Hayek for this vision. A vision urgently needed today, and always.

I heartily recommend any of Hayek's 50 books to those who make public policy. Some of these books are classics, and because the security and prosperity of our Nation hinges on an educated citizenry, everyone should read his most famous book, "The Road to Serfdom." Hayek, born in Vienna, published this book while he was a professor of economics at Chicago University.

While our Federal Government continues to grow unchecked, "The Road to Serfdom" tolls the virtues of free market capitalism and warns readers of the fated demise of planned economies, socialist impositions, and the self-interested, high mindedness of big government. I assure you, that if all Americans understood the contents of this book, it would have the power to reverse economic slump into sustained prosperity. Voters would not tolerate the shenanigans of slick-talking politicians who promise something for nothing, nor rely on snake-oil solutions to our perilous debt and foolish economic legislation.

Friedrich Hayek was born in the last century. Much of his credibility comes from 20th-century examples of nations which have defied or conformed to the doctrines he observed. History books are littered with the carcasses of failed socialism and communism, and filled with instances where peoples' standard of living was greatly enhanced by available money supplies in an environment of free trade and commerce. The correlation of conformity to these truths and the prosperity of nations remains indisputable.

Margaret Thatcher often credited Friedrich Hayek for the economic ideas she implemented that resulted in England's successes in an otherwise dismal economy. Hayek's

name is heard in legislatures throughout the free world. Indeed, if we hold to the principles he championed, America will continue to be the land of prosperity and individual freedom. Thank you, Friedrich Hayek.

GOOD NEWS ABOUNDS WITH THE NATIONAL MARROW DONOR PROGRAM

(Mr. YOUNG of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. YOUNG of Florida. Mr. Speaker, I rise this morning to share some good news with my colleagues. It is good news that every Member of this House can take pride in because every Member of the House has played a part in making it possible.

Marissa and Marena Perretti, 5-month-old identical twins suffering from leukemia, will become the first identical twins to receive a bone marrow transplant from one unrelated donor located through the national marrow donor registry we established in 1987. They will receive their living gift of life tomorrow at the Fred Hutchinson Cancer Research Center in Seattle, home of the world's foremost marrow transplant unit.

The story of these little girls, and their parents Lucy and Randy Perretti of Toledo, OH, reminds us of all that is so great about this program, which truly is today's modern medical miracle. When first diagnosed with leukemia, the twins were given a 1-percent chance of survival. That was before their parents learned the good news that they were candidates for a bone marrow transplant that could save their daughters' lives if a suitable donor could be located.

Another part of the good news is that a perfectly matched donor has been located through the national marrow donor registry, and the twins' chances for survival are great. They found their donor in our national registry which now has 520,000 volunteers waiting for the opportunity to give the living gift of life to another person in need of help. Already in the short history of the program, 1,100 transplants have taken place with donors identified through the registry.

The secret to the success of this program is people who are willing to be part of the registry. Our goal is a registry of 1 million potential donors which we believe would be large enough to find a donor for virtually every patient in need of a transplant. The importance of the size of the registry is obvious in the twins' case because by having a large, ethnically and genetically diverse registry, the National Marrow Donor Program was quickly able to find them a matched donor so that the transplant could be scheduled before their leukemia weakened them to the point of no return.

Although the donor for the twins must remain anonymous for donor-patient confidentiality reasons, at least for the first few months, I can tell you I know how exciting it must be to know that by giving a small amount of marrow he or she has the opportunity to save not one but two lives. Lucy Perretti, the twins' mother, expressed the relief of every parent and family member when they learn that a matched donor has been found. She said, "If I could, I would give him or her my heart because of their compassion and love."

The National Marrow Donor Program is all about compassion and love. It is a program about hope and life. Every Member of this House should take great pride in the role they have played in giving the living gift of life to Marissa and Marena and the more than 1,100 other patients who have received marrow transplants through the registry. Mr. Speaker, the future application of the modern medical miracle of marrow transplantation is full of life-saving potential and much more good news to be reported.

TWIN INFANTS TO RECEIVE BONE MARROW TRANSPLANTS

SEATTLE.—Marissa and Marena Perretti, 5-month-old identical twins, are in the rarest of circumstances. Believed to be the first twins born with leukemia, they will become the first twins to receive bone-marrow transplants from a single, unrelated donor.

The girls, daughters of Lucy and Randy Perretti of Toledo, Ohio, are being prepared for transplants scheduled Friday at Fred Hutchinson Cancer Research Center. The procedures were moved up from April 3 because the girls show signs of a return of the acute lymphocytic leukemia that has devastated their disease-fighting white cells.

The sisters' short lives have been filled with sickness, hospitals and medical tests. But their parents haven't lost their optimism.

"I keep talking to them," said Lucy Perretti, 38. "I say, 'Keep fighting, don't give up, we've got a long road ahead, but there's a lot of people praying for you.'"

Only 15 infants with this form of leukemia have received marrow transplants at Hutchinson, a research hospital that pioneered the treatment. Four of the 15 have lived three years or longer.

"Congenital Leukemia is very rare," said the girls' Seattle physician, Kent Robertson. "In twins * * * I don't think this has ever happened."

Congenital leukemia comes not from parents, but from unexplained changes in a child's chromosomes that occur in the womb.

In a bone marrow transplant, heavy doses of chemotherapy and radiation kill a patient's diseased marrow, the substance within bones that produces blood cells. Healthy marrow is then taken from a donor—usually a close relative, but sometimes an unrelated person whose marrow matches—then infused into the patient.

It is a long and arduous treatment. There are side effects from the drugs and radiation: nausea, rashes, bone pain, facial swelling. The body's immune defenses are killed with the diseased marrow, and weeks must be spent in sterile isolation rooms until the new marrow takes hold.

The girls suffer no shortage of affection from family members and hospital staff. But it's obvious the twin's necessary separation has been tough.

When they are together, their tiny faces light up in smiles. They hug, hold hands, lick each other's heads.

Their ordeal started shortly after they were born in October, when the girls couldn't get over stuffy noses. When the congestion worsened and fevers shot up, blood tests showed the worst: high white-cell counts indicating leukemia.

At first, the Perrettis were told the twins had a 1-percent chance of survival. But that turned out to be a mistake; they would have a chance with the transplants.

"Then there were tears of joy," Lucy Perretti said. "At least they would have a chance to live."

The twins arrived in Seattle March 10 to begin the drug and radiation therapy for the transplant. The complete treatment will take at least 100 days, and will cost as much as $300,000 for each girl, with most costs paid by insurance. The anonymous donor, whose marrow perfectly matched, was found in February through the National Bone Marrow Registry.

"If I could, I would give him or her my heart because of their compassion and love," their mother said. "Today's world is so crazy. * * * But this makes you know the whole world is not going down the drain."

Randy Perretti, 33, has returned temporarily to Toledo and his construction business, which has languished through long months of worry and caring for the twins.

His wife and his sister, Sandy Miller, are spending 10- to 15-hour days at Fred Hutchinson. They change diapers, feed bottles, hold and comfort the girls, sing to them, encourage them. They give medications, give baths, help nurses and doctors, and pray.

"Sometimes it feels like you have a block of concrete on your shoulders," Lucy Perretti said.

"But you shake it off and you think better times are ahead. You think, 'This is nothing I can't get through. We'll go home and be a family again and live a normal life.'"

□ 2030

IN HONOR OF ANTHONY M. FRANK

The SPEAKER pro tempore (Mr. MCCURDY). Under a previous order of the House, the gentleman from Maryland [Mr. HOYER] is recognized for 5 minutes.

Mr. HOYER. Mr. Speaker, I rise today to honor an outstanding man and a good friend who 4 years ago this month, assumed the responsibilities of the Postmaster General of the United States. Last week, Mr. Frank decided to return to the private sector and he will be sorely missed.

When Mr. Frank assumed office, there had been high turnover in the position of Postmaster General, and the lack of continuity was hurting both the post office and the service that Americans expect. I commend Mr. Frank for living up to his promise not to be a 1-year leader—and we owe him a great debt of thanks for his steady influence over an extended period of time that has been of great benefit to the U.S. Postal Service.

Mr. Speaker, the men and women of the Postal Service provide a service to this country that is second to none. America's Postal Service still delivers the best deal for the money, with a first-class stamp rate that is below every other industrialized country. In his role as Postmaster General, Tony Frank oversaw the Nation's largest private employer, with over 750,000 career employees, and kept up this tradition of efficient service.

Mr. Speaker, I serve on the Subcommittee on Treasury, Postal Service and General Government Appropriations. Over the years, I have had the pleasure of working very closely with the Postmaster General on many issues. He has compiled a record that is among the most distinguished of all the people who have ever held that important title since Benjamin Franklin conceived the Postal Service.

For stamp buying constituents, Mr. Frank set the most important goal of keeping postal costs under the general inflation rate. He did this by building in high levels of postal productivity. In fact, in 1990, productivity increased 3.1 percent—10 times the historic average. That is a significant accomplishment which translates into lower prices at the stamp counter for everyone, and that's good for business as well.

Mr. Frank also initiated an effort to involve customers' concerns in management. He set up independent audits of service—and shared those results with the public. I know firsthand, because one of those surveys identified my district as the worst in the Nation. But Mr. Frank was right there—in my office the day the report came out, with a strategy for turning service around for my constituents. We worked closely together over the months on this, and though we are not completely there yet, we have made significant strides and have brought our rating from a low of 55.9 percent up to 79.1 percent, which is approaching the national average of 83 percent.

Yes, that rating creates enormous heat on the Postal Service. I know that firsthand, because I have applied that heat firsthand. But the point is, without Tony Frank's bold initiative, we didn't even know how to rate service—and it took courage and vision to begin such a program. Every quarter, over 183,000 customers are contacted in over 170 locations nationwide to measure just what kind of job is being done. And that has brought a whole new perspective in how business is done at the Postal Service.

Mr. Frank lifted employee pride in the service by establishing the Postal Service as a worldwide corporate sponsor of the 1992 Olympic games. He also brought 159 member countries to the 1989 Universal Postal Congress which was held in Washington, DC.

Mr. Speaker, over 41 percent of the world's mail is handled by the men and women of the Postal Service in its over 40,000 facilities—5 times the number of centers claimed by McDonald's. Every day the Postal Service sorts and delivers 525 million letters—and the automation advances installed by Tony Frank allow that mail stream to move quickly, more accurately, and efficiently.

Mr. Speaker, Mr. Frank is now returning to the private sector. Before his record of success at the Postal Service, he was chairman of the board and chief executive officer for First Nationwide Bank—where his work turned the bank into one of the largest savings institutions in the United States. So our loss is the private sector's gain.

Mr. Speaker, let me close by saying this. Anthony M. Frank is an outstanding American. The public service job he took is not the most glamorous in Government work—but it is certainly one of the most challenging. He didn't accept the position for the prestige, and he certainly did not accept it for the money. He accepted it, as he has said to me, to offer back some small token to a country that has offered him and his family so much. That spirit of service is an example to us all. Tony, I commend you on your dedication, your integrity, and your commitment and I congratulate you on a job well done. Best wishes for every continued success.

INTRODUCTION OF THE SPRING MOUNTAIN LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nevada [Mr. BILBRAY] is recognized for 5 minutes.

Mr. BILBRAY. Mr. Speaker, today I introduced two pieces of legislation. The first is one that pertains to Nevada.

I am introducing legislation to designate portions of the Spring Mountain Range as the Spring Mountain National Recreation Area. This legislation will create the first U.S. Forest Service national recreation area in Nevada.

These lands are in the Toiyabe National Forest. Since 1906, this area of forests in southern Nevada has been known as the Charleston Forest Reserve. At various times this area was considered to be part of the Old Vegas, NV.

This high mountain country includes the 11,918 foot Charleston Peak, the third highest mountain in Nevada. This area, just minutes from downtown Las Vegas provides an escape from the summer desert and a refreshing contrast to the lights and sounds of the city. Ranging from the picturesque Mountain Springs to the alpine heights of Mount Charleston, the Spring Mountains are a unique island in the desert. This area provides a unique natural realm and recreational resources which are threatened by the rapid growth in the Las Vegas Valley.

The increased use of this area requires a higher profile management designation. The NRA designation will conserve this unique environment for the benefit of this and future generations. The designation provides the best of both worlds for the public: Hunting, trapping, fishing, hiking, rock climbing, grazing, and camping areas will be protected and enhanced while the wildlife, wild horses, burros, natural flora and fauna will be better preserved.

I brought this map in today to show where this will be. It lies in southern Nevada, running from the very north of the Lee Canyon area all the way south to Mount Podasie, which is a unique area of our own.

This area will have trails that will go the entire length of it from one top of the mountain range to the next and will allow over 100 miles of hiking to take place on trails prepared by the Forest Service.

This area is unique. It is beneficial to the area and for future southern Nevadans to enjoy and for Americans from all over the country to come to this natural recreation area and enjoy the Far West as it was meant to be preserved and enjoyed.

PROTECTION OF THE KURDS

Mr. BILBRAY. Mr. Speaker, I also introduced today a resolution which has international significance. I, as the prime sponsor, but cosponsored by the gentleman from Florida [Mr. FASCELL], chairman of the Committee on Foreign Affairs, the gentleman from New York [Mr. GILMAN], the ranking minority member of the Subcommittee on Europe and the Middle East of the Committee on Foreign Affairs, the gentleman from Indiana [Mr. HAMILTON], chairman of the Subcommittee on Europe and the Middle East, and the gentleman from New York [Mr. SOLARZ], who is also the chairman of the Subcommittee on Asian and Pacific Affairs of the Committee on Foreign Affairs, have introduced a resolution calling for the United Nations to extend the date that they will have observers and peacekeeping forces in Kurdistan in northern Iraq.

We also call upon the Turkish Government to extend the time that bases can be used in Turkey for overflight over the Kurdish protected area.

We third call upon the United States to extend the time that our forces will be available to help protect the Kurds because, if this deadline is not extended, Saddam Hussein and the Iraqi Army is poised to go into Kurdistan, crush the Kurds, and inflict hundreds of thousands of casualties. And we will again have a terrible, terrible refugee problem and thousands of dead.

I urge my colleagues in the House of Representatives to look at this resolution, which will be heard either next

week or the following week in the Subcommittee on Europe and the Middle East of the House Committee on Foreign Affairs and to join with us who want to see this area preserved and the Kurds protected as one of the oldest races on the face of the Earth, dating back to the ancient Samaritans. The Kurds are the largest ethnic group in the world that has no homeland.

We ask our colleagues to help us and help the Kurds and to help them be protected by the United Nations and the United States in overflying the areas.

INTRODUCTION OF A JOINT RESOLUTION TO RELEASE MATERIALS RELEVANT TO THE ASSASSINATION OF PRESIDENT JOHN F. KENNEDY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Mr. STOKES] is recognized for 5 minutes.

Mr. STOKES. Mr. Speaker, on January 28, 1992, I sent a "Dear Colleague" letter to my colleagues in the House expressing my concern for the letters and telephone calls that have recently been generated by media interest and concern over the records pertaining to the assassination of President John F. Kennedy. As the former chairman of the House Select Committee on Assassinations, I wanted my colleagues to know my position on this matter. Today, I rise to submit, for myself and several of our colleagues, a joint resolution to provide for the expeditious release of materials in the possession of the Government relevant to the assassination of President John F. Kennedy. I am joined by our colleague in the Senate, the chairman of the Senate Select Committee on Intelligence, DAVID BOREN, who will introduce this measure in that body today.

HOUSE INVESTIGATION

The House Select Committee on Assassinations was constituted on September 17, 1976, during the 2d session of the 94th Congress. Its original chairman was Thomas N. Downing, who retired at the end of that Congress. The committee was recreated on February 2, 1977, during the 95th Congress, with Congressman HENRY GONZALEZ being appointed as its new chairman. Shortly thereafter, he resigned the chairmanship and, on March 8, 1977, I was appointed to chair this committee.

Under the House resolution creating this committee, we were authorized and directed to "conduct a full and complete investigation surrounding the assassination and death and President John F. Kennedy." Our committee completed its investigation and, on March 29, 1979, filed a final report with the House of Representatives.

In addition to the final report, 12 volumes of evidentiary material relating to this investigation were filed with the House of Representatives, printed by the Government Printing Office, and then made available to the American public. Moreover, in our public presentation of the evidence, we held approximately 18 days of public hearings from August through December 1978, as well as 2 days of public policy hearings. During the public hearings, the committee received evidence on the issues we had identified to fulfill the legislative mandate.

Evidence was heard on the following: First, the facts and circumstances surrounding the death of President Kennedy, and the connection, if any, between President Kennedy, those facts and circumstances, and the accused assassin, Lee Harvey Oswald; second, the question of whether there was a conspiracy in the case; and third, the performance of the various Federal agencies including the FBI, the CIA, the Secret Service, the Warren Commission, and others.

Prior to the committee running out of both time and money, we released everything we had the time and resources to release. All of our other records were placed in the National Archives under a House of Representatives Rule, rule XXXVI, requiring such unpublished records routinely to be sealed for 30 to 50 years. The records consist of 935 boxes. They are well-organized with an extensive card index to individual documents.

RECENT DEBATE

Considerable public debate about these records has ensued, including accusations that these records, if released, would contain evidence of a Government coverup or complicity of Government agencies in the assassination of President Kennedy. I can assure my colleagues that nothing could be further from the truth. No member of the committee—nor member of the staff—participated in any coverup of the truth. It is an untruth to suggest—even obliquely—that we are accessories after the fact to the murder of John Kennedy.

JOINT RESOLUTION

I deem it important, however, not to have the good work of our committee impugned by such baseless accusations. Our committee attempted to conduct its investigations into the assassination of the President and to present the results of that investigation to the Congress and the American people in a thorough and dignified manner in keeping with the memory of this great leader. Accordingly, I have drafted a joint resolution that will effect the release of these and other documents now under seal bearing upon the assassination of President Kennedy.

I have been in contact with President Ford, a former member of the Warren Commission. I have consulted with Members of the Senate. I have also consulted with congressional committees and noted constitutional scholars. Finally, I have formally and informally contacted other relevant and interested parties inside and outside Government. I am confident that the resolution fully meets the requirements of the Constitution—see *Morrison* v. *Olson*, 487 U.S. 654 (1988). Congress may, of course, act by joint resolution to suspend or modify prior legislation—*U.S. Ex. Rel. Levey* v. *Stockslager*, 129 U.S. 470, 475 (1889); *Watts* v. *United States*, 161 F.2d 511, 513 (5th Cir.), cert. denied, 332 U.S. 769 (1947).

While no one will be fully satisfied with the lines the resolution draws in balancing the need for full disclosure with the interest of privacy and other concerns, I am confident that the resolution is a fair compromise. I am, however, not wedded to its language or approach. If anyone has a better proposal, I will support his or her effort.

Nevertheless, I am hopeful that all Members of the House—and the Senate—will be able to support this resolution, and that the President will sign and expeditiously implement this measure.

Mr. Speaker, in the 2-month period since I first sent a "Dear Colleague" to my colleagues in the House indicating that I was in the process of drafting this resolution, I have had the benefit of the legal talent of Prof. Robert Blakey of Notre Dame University Law School, who has worked tirelessly in drafting the resolution which we introduce today. Professor Blakey was former counsel for the House Select Committee on Assassinations and the House owes him a personal debt of gratitude for his pro bono services in this matter.

Additionally, I have had the cooperation of: Britt Snider and David Halperin of the Senate Select Committee on Intelligence; Robert Hertling of the Senate Judiciary Committee; Julien Epstein, Donald Goldberg, and Robert Gellman, of the Committee on Government Operations; Bob Brink of the House Judiciary Committee; Charlie Howell and Jodie Jeremiah, of the Committee on House Administration; and the assistance of both my legislative director and my press secretary, Leslie Atkinson and Joyce Larkin. All of this involvement was for the purpose of arriving at a point of general agreement on a resolution that would satisfy all concerned with ensuring the enactment of this legislation.

Mr. Speaker, I am committed to the principle that Americans are entitled to know the truth about the assassination of President Kennedy and feel that Congress should do its best to allay fears of the American people in this regard.

It is my intention to seek original cosponsors of the joint resolution introduced today. I hope that all of my colleagues will provide me with the opportunity to have their support.

Mr. Speaker, I include the following in the RECORD:

PROTOCOL—ACCESS FOR THE DOCUMENTS OF THE HOUSE SELECT COMMITTEE ON ASSASSINATIONS

I. LEGISLATIVE HISTORY AND MANDATE

The Select Committee on Assassinations (the Committee) was first established in the second session of the 94th Congress by House Resolution 1540, 122 Cong. Res. 141 at H10356 (September 17, 1976). The 95th Congress reconstituted the committee by House Resolution 222, 123 Cong. Rec. H800 (February 2, 1977) and extended its duration for the length of the 95th Congress by House Resolution 433, 123 Cong. Rec. H2739 (March 30, 1977). House Resolution 760, 123 Cong. Rec. H10254 (September 28, 1977) granted the committee authority to make applications to courts for grants of immunity and other limited purposes, and to bring and defend lawsuits in particular types of cases in order to obtain information relevant to the committee's inquiry.

The legislative mandate of the select Committee was primarily defined in House Resolution 222:

"The select committee or a subcommittee thereof is authorized and directed to conduct a full and complete investigation and study of the circumstances surrounding the assas-

sination and death of President John F. Kennedy and the assassination and death of Martin Luther King, Junior, and of any other persons the select committee shall determine might be related to either death in order to ascertain (1) whether the existing laws of the United States, including but not limited to laws relating to the safety and protection of the President of the United States, assassinations of the President of the United States, deprivation of civil rights, and conspiracies related thereto, as well as the investigatory jurisdiction and capability of agencies and departments of the United States Government, are adequate, either in their provisions or in the manner of their enforcement; and (2) whether there was full disclosure and sharing of information and evidence among agenicies and departments of the United States Government during the course of all prior investigations into those deaths; and whether any evidence or information which was not in the possession of any agency or department of the United States Government investigating either death would have been of assistance to that agency or department, and why such information was not provided to or collected by the appropriate agency or department; and shall make recommendations to the House, if the select committee deems it appropriate, for the amendment of existing legislation or the enactment of new legislation."

The Select Committee identified four main issues to be analyzed to fulfill its legislative mandate. First, who was or were the assassin(s) of President John F. Kennedy and Dr. Martin Luther King, Jr.? Second, did the assassin(s) have any aid or assistance either before or after the assassination? Third, did the agencies and departments of the United States Government adequately perform their duties and functions in (a) collecting and sharing information prior to the assassinations, (b) protecting John F. Kennedy and Martin Luther King, Jr. and (c) conducting investigations into each assassination and coordinating the results of those investigations. Fourth, given the evidence the select committee uncovered, was the amendment of existing legislation or the enactment of new legislation appropriate?

II. COMMITTEE ORGANIZATION

The Committee was composed of twelve members of the House. They were:

Louis Stokes, Ohio, Chairman; Richardson Preyer, North Carolina; Walter E. Fauntroy, District of Columbia; Yvonne Brathwaite Burke, California; Christopher J. Dodd, Connecticut; Harold E. Ford, Tennessee; Floyd J. Fithlan, Indiana; Robert W. Edgar, Pennsylvania; Samuel L. Devine, Ohio; Stewart B. McKinney, Connecticut; Charles Thone, Nebraska; and Harold S. Sawyer, Michigan.

The Committee was divided into two subcommittees, to carry out the investigations of the two major cases within its mandate. Members serving on each of the subcommittees were as follows:

Subcommittee on the Assassination of John F. Kennedy: Richardson Preyer, Chairman; Yvonne Brathwaite Burke; Christopher J. Dodd; Charles Thone; Harold S. Sawyer; Louis Stokes, ex officio; and Samuel L. Devine, ex officio.

Subcommittee on the Assassination of Martin Luther King, Jr.: Walter E. Fauntroy, Chairman; Harold E. Ford; Floyd J. Fithian; Robert W. Edgar; Stewart B. McKinney; Louis Stokes, ex officio; and Samuel L. Devine, ex officio.

III. ORGANIZATION OF THE STAFF

The organization of the staff was designed to facilitate the implementation of the investigative plans that had been formulated for each case. The chief counsel, who was appointed on July 1, 1977, headed the entire staff. The substantive investigation was divided into two task forces, one to investigate the death of President Kennedy and another to investigate the death of Dr. King. Each task force was headed by a deputy chief counsel and then further subdivided to focus on particular issues that had been identified. The individual teams on each task force were composed of a combination of attorneys, investigators and researchers that worked together on particular areas or issues. (See the schematic diagram that depicts the fundamental organization of the staff.)

[Diagram is not reproducible in the RECORD.]

IV. MAKE-UP OF THE MLK-JFK DOCUMENT SYSTEMS

As the Committee entered the month of December, 1978, it was in possession of approximately 370 cubic feet of files. The material contained in those files reflected the following categories:

(1) Classified materials on loan from federal agencies;

(2) Classified materials from federal agencies where no stipulation of loan was made;

(3) Unclassified materials from federal agencies;

(4) Materials generated by Committee staff that had subsequently been classified by federal agencies (i.e., document request letters, notes from classified documents);

(5) Materials on loan from private individuals;

(6) Materials generated and acquired by the staff in the course of its investigation, including, but not limited to:

(a) interview reports,

(b) outgoing and incoming correspondence to and from agencies and individuals,

(c) outside contact reports,

(d) materials and reports generated by scientific consultants to the Committee, and

(e) deposition transcripts;

(7) Transcripts of Committee open session hearings and meetings; and

(8) Transcripts of Committee executive session hearings and meetings.

As noted, many of these materials were loaned to the Committee by federal, state and local governmental agencies, as well as private individuals. Because of their historical significance, the Committee was concerned about the ultimate disposition of these materials once they were returned to their original custodians. Discussions were had with each of the agencies to assure the retention of the affected materials and the Committee requested that wherever possible, they be retained and kept separate within the agency's file. Those discussions resulted in the following disposition:

(1) The Central Intelligence Agency.

a. All classified materials (with the exception of Committee interviews, depositions and executive hearing transcripts) were returned to the agency. The agency agreed to store the materials separately from its other files.

(2) The Federal Bureau of Investigation.

a. All classified materials were returned to the Bureau. They are to be maintained separately.

(3) The Dallas Police Department.[1]

a. All materials loaned to the Committee by the Dallas Police were returned. These items had previously been maintained separately and will continue to be so.

(4) Shelby County District Attorney General's Office.

a. All materials received from Shelby County were returned. They are separated from other materials held in that office.

(5) The Department of State.

a. At the Department's request, all documents delivered to the Committee by the Department of State were turned over to the National Archives.

All materials loaned the Committee by private individuals were returned upon request.[2]

V. DOCUMENT RETRIEVAL—GENERALLY

Prior to September, 1977, both the MLK Task Force and the JFK Task Force filed their documents alphabetically, by subject, in a random fashion. Neither task force made any attempt to index or cross-reference its materials. The present system was initiated in September of 1977, in order to correct this deficiency. With the exception of the features mentioned below, the filing systems of both task forces are identical.

VI. THE MLK DOCUMENT FILING SYSTEM

All documents in the filing system bear a six-digit number. The first two digits of this number refer to the month in which the document was placed into the system. The last four digits compose the sequential identifying number assigned to the particular document. Thus, the first document placed into the system bears the number 010001. At the beginning of a new month, the sequential numbers return to one. Thus, 010001 identifies the first document placed into the system in September of 1976; 020001 identifies the first document placed into the system in October of 1976; etc.

Documents may be retrieved from the system by using one of two methods. If a person seeking information has the number of the file he seeks, he merely follows the numerical sequence until he obtains the file he wants. If he does not have the file number, the information may still be obtained by consulting the system's card catalogue index. This index is a cross-reference, by subject and person, of every document in the system. These cards are alphabetized, with each card bearing the number and a brief description of the document to which it has reference. As a result, someone having only a subject heading may locate the proper file number or numbers for the document by locating the subject or person alphabetically. It is then a simple matter to obtain the document by following the numerical sequence, as described previously.

VII. THE JFK DOCUMENT FILING SYSTEM

Like the MLK system, all documents in the JFK system bear a six-digit number. There are, however, two major differences. First, the first document placed into the JFK system bears the number 000001 (unlike the MLK system which begins with 010001). The second difference is that the JFK system employs sequential numbering throughout. The first two digits do not have reference to the month that the document was placed into the system, as is the case with the MLK system.

Like its MLK counterpart, the JFK system has a card catalogue index, arranged alphabetically by subject and person. Consequently, the two methods of document retrieval described in the MLK section are equally applicable to the JFK system.

[1] An exception to this category was the dictabelts and tapes of the police department containing the sounds received on the department's police radio on Nov. 22, 1963.

[2] An exception to this category was the picture taken by Mary Mooreman of the assassination. It was turned over to the Department of Justice.

Also contained in both the MLK and JFK systems, although not numerically ordered, are various miscellaneous and bulky files. Examples include the files of the Committee's first chief counsel, Richard Sprague, inmate records obtained from the Missouri State Penitentiary at Jefferson City, Missouri, FBI and CIA materials released under F.O.I.A., etc.

VIII. DOCUMENTS REQUIRING SPECIAL SECURITY

(a) *Informant information.* A number of the individuals interviewed by the Committee provided information of a highly sensitive nature. Should this information or its sources become known, these individuals might be subjected to risk of serious bodily harm.

For that reason, all materials relating to these individuals have been placed into a special security system. Included in this system are all investigative files as well as card catalogue references to these sources. Because such contacts were logged into the system as they were incorporated, the Committee's document log has also been placed in the special system.

(b) *Sensitive Information.* Staff reviews of the King Security, and COINTELPRO files have been put into the special system because, in many instances, the materials reviewed are still classified.

(c) *Immunized Testimony.* Complete isolation of testimony received from witnesses to whom the Committee granted so-called "use immunity during the course of its executive hearings is vital to enable the Government to meet its burden of demonstrating that evidence presented in any future criminal prosecution of such witnesses was not derived from immunized testimony taken by the Committee. For that reason, all immunized testimony taken in executive (closed) session was therefore secured in the special security system.

(d) *Autopsy Photographs.* The Committee has a number of photographs relating to the Kennedy and King autopsies. For reasons of personal privacy, these photographs should not be released.

(e) *Classified Information.* Because the Committee has access to raw intelligence files from the CIA and FBI that were classified (ranging from Confidential to Top Secret), all questioning of present and former CIA and FBI employees based on such materials that was recorded in interview reports, tape recordings, depositions, and executive hearings transcripts, was placed in the special security system.

IX. ADMINISTRATIVE RECORDS

In addition to the investigative records, the material generated by the Committee includes the records of the Chief Clerk's Office, the Budget Office, and the Chief Counsel and Staff Director's office.

X. RECOMMENDATIONS FOR RELEASE

The Committee recommends that access to all of its documents be prohibited for 50 years. If, however, access is given before that time, it is urged that the special security system be excluded from access.

JANUARY 21, 1992.

Hon. LOUIS STOKES,
Chairman, House Select Committee on Assassinations, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: In 1964 at the end of the work of the Warren Commission, 26 volumes of the testimony of witnesses at hearings, coupled with thousands of exhibits, were published. All of the materials having any primary relevance to the questions of who killed President Kennedy and Dallas Police Officer J.D. Tippit and whether there was any domestic or foreign conspiracy were placed in the archives and made available to the public, except for the autopsy photographs and X-rays, which because of requests of the family of President Kennedy were made available only to qualified medical experts for examination.

There was relatively small amount of materials withheld from public access. The release of these materials now would demonstrate that in no way would they have any effect upon the final conclusions of the Warren Commission. These materials generally fell into three areas: (1) Materials that pertained to the methods of protecting a president from physical harm were not made available because it was felt that to disclose all of these materials would make it easier for some future potential assassin to harm the President of the United States. (2) Unsubstantiated allegations such as an oral communication to the FBI asserting that someone overheard another person say they would pay money to kill President Kennedy and other such types of allegations, which were thoroughly investigated and found to have no bearing on the assassination. These were not made public because of concerns of privacy for the people involved. (3) Some of the investigative materials pertaining to the investigation of possible foreign conspiracy were not made available to the public because of concern that the materials involved were so sensitive that they could point to the source of the material and in a sense "dry up the well" for that source ever to divulge any additional information to intelligence sources. Moreover, in some situations the sensitivity of the source was so great that to divulge the particular information might endanger the very life of that source where the source lived in a totalitarian country.

At the time, all of the members of the Warren Commission concurred in the decision to withhold from public access this relatively small amount of material because we knew that over 90 per cent of the materials were made available to the public and those materials constituted all of the evidence directly relevant to determining who killed President Kennedy and Officer Tippit and whether there was any domestic or foreign conspiracy.

David Belin, a member of the Warren Commission staff, following the completion of his service as Executive Director of the Rockefeller Commission called for a public release of all documents in the National Archives concerning the Warren Commission investigation as well as all documents in the CIA concerning the assassination of President Kennedy. He filed Freedom of Information Act Requests to gain release of these materials, all of which he had seen. At that particular time, I did not feel that there was sufficient passage of time to have all of these materials publicly released, primarily because of concern for sensitivity for the protection of sources and methods which were involved in the gathering of foreign intelligence information in the investigation of whether there was foreign conspiratorial involvement in the assassination of President Kennedy.

However, in recent months, I have concluded that sufficient passage of time has now elapsed so that all materials in the National Archives concerning the assassination of President Kennedy should be made available to the public, except that the restrictions requested by the family of President Kennedy limiting access to the autopsy photographs and X-rays to qualified medical experts should be continued. The specific limitation could, of course, be removed at the request of the Kennedy family.

I would also urge that all materials in the CIA pertaining to the investigation of the assassination of President Kennedy should be made available to the public. I would also recommend that Congress make available to the public all materials in the files of the House Select Committee on Assassinations pertaining to the investigation of the assassination of President Kennedy.

The House Select Committee on Assassinations, as you know, did conclude, as did the Warren Commission, that the first shot that struck President Kennedy was fired by Lee Harvey Oswald and passed through President Kennedy's neck and struck Governor Connolly, causing all of his wounds and that the second and fatal shot that struck President Kennedy's head was also fired by Lee Harvey Oswald, and that Lee Harvey Oswald was the gunman who killed Officer Tippit, and that in no way was the CIA conspiratorially involved. However, a majority of the members of the Committee concluded, based on the testimony of purported acoustical experts, that there was another shot fired by a gunman from the grassy knoll who missed not only all of the occupants of the presidential limousine, but also the limousine itself. Subsequently, the Committee on Ballistic Acoustics of the National Research Counsel concluded that the House Committee's "acoustic analyses do not demonstrate that there was a grassy knoll shot" and that "the acoustic impulses attributed to gun shots were recorded about one minute after the President had been shot and the motorcade had been instructed to go to the hospital" and that "therefore, reliable acoustic data do not support a conclusion that there was a second gunman."

I would urge that the National Research Council appoint a new panel of outstanding scientists with expertise in these matters who would review the acoustical evidence presented to the House Select Committee on Assassinations and the report of the initial Committee on Ballistic Acoustics of the National Research Council, interview the experts involved in the preparation of these reports, undertake an analysis of all of their findings and then reach a definitive conclusion and report those findings to the public.

Americans are entitled to know the truth about the assassination of President Kennedy. Those of us who served as members of the Warren Commission and those independent lawyers who served on the Commission staff know that truth: Lee Harvey Oswald was the lone gunman who killed President Kennedy and Police Officer J.D. Tippit on that tragic afternoon in Dallas, November 22, 1963.

In order to resolve any legitimate doubts of others, I hope you will be responsive to my suggestions in this communication.

Best regards,

GERALD R. FORD.

LIST OF COSPONSORS

Rep. Louis Slaughter (D-NY).
Rep. Neal Abercrombie (D-HA).
Rep. Vic Fazio (D-CA).
Rep. Frank Horton (R-NY).
Rep. James Traficant (D-OH).
Rep. Curt Weldon (R-PA).
Rep. William Clay (D-MO).
Rep. Ben Nighthorse Campbell (D-CO).
Rep. Dana Rohrabacher (R-CA).
Rep. Les AuCoin (D-OR).

Rep. Owen Pickett (D-VA).
Rep. Jim Leach (R-IA).
Rep. George Miller (D-CA).
Rep. Andrew Jacobs (D-IN).
Rep. Bob Clement (D-TN).
Rep. Chalmers Wylie (R-OH).
Rep. Pat Schroeder (D-CO).
Rep. Jose Serrano (D-NY).
Rep. Michael McNulty (D-NY).
Rep. Matthew Martinez (D-CA).
Rep. Rick Santorum (R-PA).
Rep. Tom Lewis (R-FL).
Rep. Phil Sharp (D-IN).
Rep. David Dreier (R-CA).
Rep. Michael Kopetski (D-OR).
Rep. Doug Bereuter (R-NE).
Rep. Bill Emerson (R-MO).
Rep. Henry Waxman (D-CA).
Rep. Joel Hefley (R-CO).
Rep. Pete Peterson (D-FL).
Rep. Benjamin Gilman (R-NY).
Rep. Jim Bacchus (D-FL).
Rep. David Skaggs (D-CO).
Rep. Lee Hamilton (D-IN).
Rep. Jim Slattery (D-KA).

THE BASICARE HEALTH ACCESS AND COST CONTROL ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas [Mr. GLICKMAN] is recognized for 10 minutes.

Mr. GLICKMAN. Mr. Speaker, the United States will spend an incredible $871 billion on health care this year. That is more than the U.S. Government spends on defense, foreign aid, energy, the environment, agriculture, housing, transportation, community development, education, and science and space research combined. If we could export what we spend on health care we would be running a trade surplus in no time.

Despite this staggering expenditure, over 37 million Americans are uninsured and over 60 million are underinsured. Meanwhile, health care costs are accelerating two or three times the general rate of inflation. At this rate, by 2010, Americans will be spending a third of all their resources on medicine.

Mr. Speaker, serious and far reaching reform must take place. Access to quality, affordable health care is a right all Americans are entitled to, regardless of their income, or age, or the state of their health, but spiraling health care costs are locking more and more Americans out of the system.

There have been numerous proposals to reform the health care system mainly by adopting a single payer system, like the Canadian model, or through the play-or-pay formula. Other proposals center around market incentives and tax credits for the purchase of health insurance. While all these proposals have positive points, they all have very serious drawbacks.

Mr. Speaker, I believe it is time for a radical new approach to the idea of national health care reform. Today, I am introducing The BasiCare Health Access and Cost Control Act, a bill similar to S. 2346, introduced by Senator NANCY KASSEBAUM. Although I have added a few strengthening amendments regarding prescription drugs and the pharmaceutical industry, I have left the content of S. 2346 generally intact because it offers the most comprehensive approach to health care reform I have seen.

This legislation will expand health care coverage to the uninsured, as well as control costs, but without capping doctors' fees, without restrictive employer mandates, and without doing away with the insurance industry. In addition, it contains a financing mechanism which does not call for a tax increase.

The bill will create a single, national BasiCare package of benefits that all Americans will carry. Any insurance carrier wishing to sell health insurance will have to offer the BasiCare plan and adhere to its conditions. The carrier may not offer any policy that duplicates BasiCare in any way. Insurers may, however offer supplemental policies for persons wishing greater coverage beyond that provided by BasiCare.

Following a phase-in period, all BasiCare premiums will be based on community rating, and insurance companies will be required to guarantee acceptance of all applicants. Insurers will not be allowed to raise a person's premiums because of illness or deny coverage because of a pre-existing medical condition.

As you can see, the BasiCare package will be defined and standardized by the Government, but its administration and financing will remain in the private sector. This approach combines the attractive simplicity, stability, and cost-control of a public single-payer system with the private market incentives that are necessary to ensure quality and innovation in American medicine.

The BasiCare package will be developed by a full-time national commission of independent experts appointed by Congress and the President. Similar to the current military base closing system, Congress will have the power to vote up or down on the commission's recommendations, but not to amend them.

The independent commission will also have broad oversight authority over the health care system as a whole. In most cases, its recommendations to Congress will be considered only on a limited debate, unamendable basis.

This is a different approach to health care policymaking. Congress would remain accountable for health care policy, but experts would be handling the complicated, sensitive task of overseeing the Nation's health care system. Most importantly, the commission would be insulated from political pressure and special interest groups.

The commission will control health care costs by placing annual limits on BasiCare premium rate increases. The annual percentage of allowed premium increase will be binding on all insurers. I have added a provision to allow a State to lower the allowed premium increase if the State believed the premium increase would make it more difficult for residents to afford the premiums. The State would not be able to increase the allowed premium beyond the BasiCare commission's mandate.

The goal, of course, is cost control without Federal or State micromanagement of rates and fees. The combination of a standard, national benefits package and rate increase cost parameters puts insurers at risk for rising health care costs. This will be a compelling incentive for insurers to form risk pools and organized care relationships with providers to share financial risks and keep costs down.

Further cost containment will come from enactment of very tough Federal reform of malpractice liability laws.

The low-income uninsured will purchase the BasiCare policy with nontransferable vouchers. The vouchers will be redeemable directly to BasiCare carriers or employer plans. The amount of the voucher a family or individual receives will reflect the percentage of the BasiCare costs they can afford.

Although the bill specifies minimum income levels for which voucher assistance must be provided, it leaves the commission discretion to propose increases in these levels. At a minimum, persons below 100 percent of the Federal poverty line will receive full voucher assistance, and persons between 100 and 200 percent of poverty will receive assistance on a sliding scale based on income. Even persons receiving full voucher assistance will be required to pay a small per-service copayment to discourage overutilization.

The new voucher program will replace and expand upon the current Medicaid Program, and the new BasiCare system will be expanded over time to encompass Medicare. Coverage for long-term nursing home and home health care will be included in the BasiCare plan. In addition, persons of all ages will carry BasiCare's long-term care coverage as part of their BasiCare package.

To further target services to low-income and underserved populations, this bill expands funding and access to community health centers and other community-based primary care facilities. To increase the number of health care professionals in medically underserved areas, it expands funding for the National Health Service Corps, and provides targeted tax incentives to doctors, nurses, and other health care professionals practicing in underserved rural communities.

Furthermore, this bill equalizes the health care tax treatment of the self-employed. Both self-employed persons and incorporated firms will be allowed 100 percent deductibility for the cost of the BasiCare package.

One of the most contentious issues of the debate over health care reform is how to pay for it all. Unlike other national health care reform proposals, this bill lays out a straightforward plan to finance the BasiCare system. The bill already contains tough cost-control measures, and costs are further restricted by creating a uniform market around a single insurance package, but new public funds will clearly be necessary to provide coverage to those who are currently uninsured.

Under this bill, needed funding will come from three sources:

First, appropriation of existing Medicaid expenditures;

Second, limiting the current 100 percent tax deduction and exclusion for employer health benefit contributions to the cost of the BasiCare package; and

Third, a limited draw of funds from the current Social Security payroll tax, not to exceed 1 percent of the tax.

The beauty of this plan, Mr. Speaker, is that it does not raise taxes.

There is only one significant area where, S. 2346, the Kassebaum bill, and my bill differ strongly, and that is in the area of prescription drugs. Because national health care reform cannot be completely comprehensive without dealing with the cost of prescription drugs, I have added several provisions covering the pharmaceutical industry.

In 1991, the cost of prescription drugs in America rose 9.4 percent, three times the cost of inflation. Since 1982, the general inflation rate has risen 46 percent while prescription drug prices have gone up 14.2 percent. Americans will spend $67 billion on pharmaceutical drugs this year. If the current practices continue that figure will jump to $145 billion by the year 2000.

In 1990, the average rate of profit for the pharmaceutical industry was 15.5 percent, more than triple the average profit for Fortune 500 companies. The industry receives huge tax breaks, patent advantages, and research and development grants, yet prescription drug prices are skyrocketing out of the range of average Americans. Lifesaving drugs should not be a luxury. Elderly pensioners should not have to choose between medication and food.

We will not have effective health care cost control unless we reign in the cost of prescription drugs. Therefore, I have amended the KASSEBAUM bill to require the BasiCare benefits package to cover the cost of prescription drugs with reasonable cost-sharing by the consumer. In addition, I have given the BasiCare commission oversight of the pharmaceutical industry and required it to report annually to Congress on that oversight. The commission has been given the authority to propose legislative solutions to controlling prescription drug costs.

I have also borrowed a provision from Senator BOREN'S bill, S. 2000, the Prescription Drug Cost Containment Act, which would reduce certain nonresearch tax credits to companies whose drug prices exceed the general rate of inflation. Americans are already paying the highest drug prices in the industrialized world. Why should we also pay for the all the tax credits for those companies that have grossly inflated their prices?

Mr. Speaker, I believe this bill offers an exciting new approach to the national health care reform debate. It covers almost all the bases needed to have real comprehensive reforms. It provides coverage for everyone, regardless of their income, regardless of all the other factors which might currently disqualify them. And it introduces strong cost containment provisions without capping doctors fees or doing away with the insurance industry. It provides malpractice liability reform and imposes some cost controls on prescription drugs. In addition it covers long-term and home health care. Above all, it maps out how it will pay for itself and without a tax increase.

It is time, Mr. Speaker, to finally guarantee all Americans the right to health care. It is past time. Thirty-seven million out in the cold is a national disgrace. Good health should not be a luxury for the rich, Mr. Speaker. This bill will ensure it is available to everyone.

"BASICARE" HEALTH ACCESS AND COST CONTROL PLAN

(By Congressman Dan Glickman)

KEY COMPONENTS:

Establishes a single, nationally defined core benefits package (BasiCare), but leaves its administration and financing in private hands.

The BasiCare package will become standard across all health insurance carriers and will be carried by all Americans. No insurance company can offer any plans that duplicate BasiCare benefits, although they may sell supplemental policies for persons wishing greater coverage.

The content of the BasiCare package will be determined by an independent expert Commission. As under the current military base closing system Congress will have the power to vote up or down on the Commission's recommendations, but not to amend them.

BasiCare will be community rated, and restrictions based on pre-existing conditions will be barred.

Control of health care costs will be maintained through broad limits on BasiCare's annual premium increases, as well as through administrative standardization of the single BasiCare package.

Incentives in health care competition will be refocused to maximize efficiency, rather than over-supply or risk-selection, as is often the case under the current system.

Health care access for the uninsured will be addressed by offering low-income persons non-transferable vouchers for the purchase of BasiCare coverage. This system will replace and expand upon the current Medicaid program.

Medicare will also be gradually assimilated into BasiCare, and long-term care coverage will be included in the BasiCare package.

Financing will be obtained through (a) a limited draw of funds from the current Social Security payroll tax, not to exceed 1 percent of the tax, (b) limiting the current 100 percent tax deduction and exclusion for employer health benefit contributions to the cost of a BasiCare package, and (c) appropriation of existing Medicaid expenditures.

The plan also includes malpractice reform, a significant expansion of low-income community health care services, and measures to increase the number of health professionals in underserved rural areas.

The plan provides oversight of the pharmaceutical industry and reduces nonresearch tax credits to certain companies that increase the price of their drugs above the rate of general inflation.

SUMMARY OF PROVISIONS

A. Creation of BasiCare

1. Congress will determine the broad foundation of the BasiCare package, but Congress will not be directly responsible for the details of the plan's composition. Among the foundations that Congress would require, however, will be:

a. Basic hospitalization coverage;

b. Basic outpatient services;

c. Protection against catastrophic out-of-pocket costs;

d. Coverage against extraordinary long-term care costs; and

e. Coverage of prescription drugs (with the reasonable cost sharing)

f. Coverage for periodic health examinations and other preventive care services to the extent determined to be of significant proven and recognized value in averting serious and costly medical conditions.

2. Actual development of the BasiCare package will be conducted by an eight-member independent, expert commission. Half of the members will be appointed by the President, and the other half by the congressional leadership. All will serve on a full-time basis for five year terms.

3. The Commission will define a benefit plan which, in its judgment, represents a minimum but fair coverage package. At its discretion, the commission may recommend limited variation in plan structure to accommodate delivery of BasiCare services in a managed care setting, provided that such variation does not compromise the basic uniformity of the National BasiCare package.

4. As under the current system for closing military bases, Congress will have the power to approve or disapprove the Commission's recommendations, but only as an un-amendable package. The purpose of this mechanism is to help assure that the process of developing the benefit package is not unduly distorted by political pressure.

5. The BasiCare Commission will have authority to make adjustments in the plan's content, as needed, to reflect changes in technology or in the nation's health needs. It will also have significant oversight responsibility for the health care system as a whole.

6. The Commission will be charged with ongoing oversight of the quality of health care delivery—particularly as the system reacts to implementation of the new BasiCare structure. The Commission will be required to factor findings on quality into any recommendations it makes to Congress on the content or the cost of the BasiCare package. It will also be authorized to contract with local and regional entities for the collection and dissemination of health care quality and cost data to consumers.

B. BasiCare's role in the insurance market

1. All insurers in the health insurance market will be required to offer BasiCare and to accept its conditions.

2. Insurers will be barred from selling non-BasiCare policies that duplicate BasiCare benefits in any way. Supplemental policies, however, will be allowed (see section F. below). Such supplemental policies will be permitted to cover only those benefits *not* covered by BasiCare.

3. When the program is fully implemented, BasiCare policies will be subject to strict rating and underwriting rules aimed at assuring availability and curbing risk selection. These will include:

a. Guaranteed Issue and Renewal: Insurers will be limited in applying pre-existing condition restrictions on the insurance policies and will have to guarantee acceptance of all small groups and individuals wishing to purchase coverage. Similar standards will also be applied to policy renewal.

b. Community Rating: Insurers will be required to set rates on the same terms to all BasiCare policyholders, both group members and individuals. Adjustments in community rating will be permitted for the age of the enrollee, but will be held within limits, which will narrow over time.

Community rating will apply both to group and individual policies.

c. Portability: Persons will no longer have to fear lack of access coverage due to a change in employment.

4. Insurers failing to comply with the above reforms will be subject to a federal excise tax on gross premium income.

5. All persons will be required to carry a BasiCare policy, either through a group or individually. Low-income persons will receive direct public assistance for the cost of such coverage (see Section C. below).

6. Employers will not be permitted to discriminate against employees based on health status.

7. Self-insured groups will be permitted to continue self-insuring provided they can demonstrate that: (1) they are offering a BasiCare equivalent benefit plan that adheres to all of BasiCare's conditions, (2) they can show that their costs do not differ substantially from those of insured BasiCare plans, and (3) they can demonstrate sufficient financial reserves to assure solvency and protection of patient benefits.

8. "Stop/loss" coverage sold to self-insured groups will also have to follow the same rat-

ing, issue, and renewal standards specified for BasiCare (see above).

9. BasiCare policies will be exempt from all current or future state benefit mandates. The federal pre-emption for BasiCare would also apply to state legislation restricting the use of managed care.

10. The health insurance tax deduction for self-employed persons would become the same as that for incorporated group plans. Currently, the group deduction is 100 percent while the self-employed receive 25 percent. Under the new program, the deduction for both categories would be the same—100 percent for the cost of the BasiCare package (see Section E.2).

11. Insurers will likely find it desirable to coordinate the development of reinsurance mechanism (risk pools) to better accommodate the rating and underwriting changes noted above. As under current law, state governments will also be permitted to create or contribute to such pools.

12. Timing: The above-described system for national standardization of the new BasiCare package will go into effect following congressional approval of the Commission-proposed BasiCare package. This should occur three years after enactment. Preceding this will be a phase-in period, beginning at enactment, in which the small employer market will be subject to a variety of somewhat milder rating and underwriting reforms aimed at increasing fairness and availability of coverage in that market.

C. BasiCare coverage for low-income beneficiaries

1. The new BasiCare package will replace and supplant current Medicaid coverage. This will apply not only to Medicaid's acute care coverage, but to its long-term care coverage as well.

2. The low-income BasiCare assistance program will be administered through non-transferable federal vouchers redeemable directly to BasiCare carriers or employer plans. Such vouchers will indicate the applicable percentage of BasiCare costs a person or a family is eligible to receive. Amounts corresponding to that percentage will be created to the carrier of the BasiCare program.

3. To facilitate "one-stop shopping" for recipients, the process of application and approval for assistance will be coordinated with actual enrollment in a BasiCare plan.

4. This legislation specifies minimum income levels for which voucher assistance must be provided, but it leaves the commission discretion to propose increases in these levels, as it may deem appropriate to correspond with the new BasiCare benefits package. At a minimum, persons below 100 percent of the federal poverty line will receive full voucher assistance, and persons between 100 and 200 percent of the poverty will receive assistance on a sliding scale based on income. Importantly, even persons receiving full voucher assistance will be required to pay a small per-service co-payment to discourage overutilization.

5. The switch from Medicaid to BasiCare will assure that medical providers are no longer reimbursed at a lower level for treating low-income patients, as they are under the current Medicaid system.

6. To provide for a smooth transition from Medicaid to BasiCare, the Medicaid program will be retained as an administrative unit for a period of five years following standardization of BasiCare. During this transition period, present Medicaid-eligible beneficiaries will continue to receive any current Medicaid benefits that may not be included in the new BasiCare package.

7. Federal matching funds for Medicaid benefits not included in the BasiCare package will be discontinued at the end of the transition period, unless the Commission has recommended—and Congress has approved—an alternate plan for disposition of such benefits.

8. Most federal and state funding currently going to Medicaid will be transferred to the BasiCare low-income assistance program (see Section E.1 below).

D. Cost-containment through BasiCare

The BasiCare system will put in place several strong levers for maintaining cost-control in the health care system. These include:

1. The benefit package itself: The BasiCare commission will be charged with limiting the scope of benefits to a reasonable minimum. Recognizing that defining a core is necessarily a subjective and difficult task, the commission will nevertheless be largely insulated from the strong provider and consumer pressure that has led, for example, to expensive state benefit mandates under the current system.

2. Global restraint of BasiCare premium increases: Insurers will be required to limit annual increases in BasiCare premiums to a federally defined maximum percentage. More specifically, the BasiCare Commission each year will set a maximum allowable percentage for such premium increases. This percentage will be binding on all insurers. States would have the authority to lower the annual increase but not raise it.

As it initiates this system of premium increase limits, the BasiCare commission will also have authority to establish an average base premium for the BasiCare package from which future allowable increases will be measured. This is to guard against the possibility of insurers setting initial rates unreasonably high in anticipation of future increase limits. The Commission will be permitted to apply limited geographic variation in the base rate to reflect regional differences in the cost of providing the BasiCare package.

By establishing a single maximum allowable percentage of increase, government will be putting insurers themselves at risk for rising costs, thereby creating a strong incentive for efficiency. The government's role will be simply to set the overall budget parameters; responsibility for finding the best way to live within these means will be left to the health care system itself. Unlike other cost-control proposals, this approach will avoid the pitfalls of government micromanagement of specific insurance rates and provider fees.

It is likely that insurers will react to the new budget controls by forming organized care relationships with providers in order to share the financial risk with those providers. Under such arrangements, both insurers and providers will have a direct financial stake in keeping costs down and delivering care as efficiently as possible.

3. Oversight of provider billing: It is anticipated that the BasiCare premium limits described above will create a market situation in which the only way either providers or insurers can survive financially will be to enter into organized networks of care with each other, under which provider payment would be limited to the negotiated amount.

However, to guard against the possibility of unreasonable provider overcharges to consumers, this plan also gives the BasiCare Commission clear authority to intervene with balance billing limitations in the event such charges do become a problem.

4. Paperwork standardization: All billing and claims paperwork associated with BasiCare will be standardized across carriers, and steps will be taken to provide for universal electronic billing.

E. Financing of BasiCare

The cost controls noted above should create sizable reductions in the out-of-pocket costs now paid by most Americans for health care. Unavoidably, however, these savings will be at least partially offset by new costs associated with expanding coverage to the currently uninsured (see Section C. above).

Revenue sources included in this bill are:

1. A limited draw of funds from the current Social Security payroll tax, not to exceed 1 percent of the tax: The Social Security payroll tax is now set at a level higher than is necessary to assure adequate reserves for present and future retirees. As the consumer group Families U.S.A. and others have argued, it is appropriate that at least a modest portion of these resources be devoted to the very useful purpose of overhauling our declining health care system. Just 1 percent of the current tax would equate $56 billion a year in 1996, and even more as time goes by.

2. Limiting the tax deduction and exclusion for employer contributions to employee benefit plans: Under current law, 100 percent of employer payments to employee health plan are deductible to the employer and tax-exempt to the employee. This will be changed to allow such deduction and exemption only for contributions associated with BasiCare coverage. Additional payments for supplemental coverage will be taxable.

3. "Capturing" existing Medicaid funding: As Medicaid is replaced by BasiCare, its current funding will be restricted to the BasiCare program. At the federal level, this will be accomplished by posting existing Medicaid expenditures to BasiCare and indexing the amount upward each year according to inflation. Similarly, the states will be required to contribute to BasiCare an amount proportionate to their current Medicaid match. This, too, will be indexed upward with inflation.

F. Role of supplemental insurance

1. As mentioned above, BasiCare will act as the primary health insurance source for all citizens, but persons or groups will be able to purchase supplemental policies for services not covered by BasiCare.

Leaving room in the market for a supplemental insurance market will serve a dual purpose. First, it will allow persons or groups the freedom of choice to tailor coverage to their own particular needs. Second, a private supplemental market will provide greater incentives for the development of innovative treatments than might be the case were BasiCare the only available option.

2. To guard against potential abuses of the supplemental market, the BasiCare Commission is given strong oversight authority to monitor behavior in the new supplemental market and to intervene with explicit consumer protection or cost controls should market abuses or unreasonable cost growth develop.

G. Assimilation of Medicare

1. The Commission will be directed to develop a comprehensive proposal for integration of the current Medicaid program into the BasiCare system. Such proposal, in legislative form, will be required no later than the fifth year after the new BasiCare system has been implemented. Such proposal will be considered in Congress under the same terms of limited debate as the initial BasiCare package (see Section A, below).

2. CHAMPUS, the military health insurance program, and FEHBP, the health program for federal employees, would also be assimilated into the BasiCare.

H. Expansion of community health services

New federal funding will be allocated for Community Health Centers (CHCs) *and* for other state and local public health clinics. Such centers have a good record of providing inexpensive, cost-effective treatment to indigent and low-income persons. Authorization is $600 million annually in new funding for these programs.

I. Malpractice reform

1. Provides federal preemption for comprehensive medical liability reforms, including mandatory periodic payment of future awards, limits on awards for non-economic ($250,000) and punitive damages (no greater than total award of compensatory damages), reducing awards by the amount of compensation from collateral sources, and court determination of reasonable attorneys' fees;

J. Joint use of equipment and services

1. Clarifies antitrust law regarding joint service ventures to facilitate collaboration among hospitals for the purpose of sharing expensive high technology equipment or services.

2. Specifically, this provision amends the National Cooperative Research Act to allow joint service ventures by two or more hospitals for the delivery of costly services. It will apply the rule-of-reason standard to joint service ventures that are challenged, allowing the court to consider the competitive benefits of the venture.

K. Expanding the supply of health professionals in rural areas

1. Significantly expands funding for the National Health Service Corps, a program to place doctors and other health professionals in underserved areas in exchange for scholarship or loan repayment assistance. Authorization is $120 million for each of the next five years.

2. Physicians will be allowed a tax credit equal to $1,000 a month for practice in a rural health professions shortage area. Nurse practitioners and physician assistants will be eligible for a similar credit equal to $500 per month.

3. Provides additional tax incentives for rural practice, including deductibility of National Health Service Corps loan repayments and deductibility for the cost of basic medical equipment.

L. Containment of prescription drug prices

1. The Commission will have oversight over the pharmaceutical industry and will issue annual reports on the effect prescription drug prices have on the American health care system. The Commission would have the authority to draft legislation suggesting methods to control prescription drug prices. Congress, again, would be able only to vote up or down on any such legislation.

2. The bill would reduce certain non-research tax credits to certain companies whose drug prices exceed the general rate of inflation.

OPEN THRIFT ASSISTANCE: CORPORATE SOCIALISM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa [Mr. LEACH] is recognized for 60 minutes.

Mr. LEACH. Mr. Speaker, the Thrift Deposit Protection Oversight Board yesterday held a public hearing on a proposal to use funds of the Resolution Trust Corporation to protect current bond and stock holders of failing thrifts. Under the rubric of open thrift assistance, the S&L bailout program will become more of a bailout.

Currently, the only people protected in thrift failure are federally insured depositors. Shareholders and creditors lose their capital. Under the proposal spawned by some in Congress and supported by some in the thrift industry, all this would change. Investors and creditors of insolvent S&L's could be protected with a program in which the Government invests funds in struggling institutions.

I rise today to stress that it is my view that any legal authority regulators may use to protect stock or bondholders of failing thrifts is definitively gray.

Legal loopholes may exist allowing the executive branch to attempt such efforts, but as a participant in the development of relevant banking legislation over the last decade and a half, I would like to attest that few on the House side assumed that such potential protections were authorized by any statutes they voted on.

It strikes me that for the Government to entertain such a risky economic undertaking, with so many philosophical pitfalls, statutory authority should be far stronger and clearer. I realize we are in the age where financial institution regulators have enormous, if not capricous, powers and where in many instances loopholes are being found to advance controversial agendas, such as the breaching of certain historical assumptions of the meaning of Glass-Steagall and McFadden.

Nevertheless, loophole judgments are precarious, litigation susceptible, and generally lacking in public confidence.

Philosophically, proposals which provide for assisted mergers or open thrift assistance which protect existing shareholders misunderstand not only the nature of Federal deposit insurance but the composition of our Nation's banking industry and the free enterprise system.

Here, let me stress that there are clear distinctions between the question of early intervention and the question of whether taxpayer funds should protect or be comingled with private sector resources. Nothing could be more sensible then early intervention. The earlier regulators can recognize that an institution will fail and the earlier it can stop that institution from losing taxpayer-guaranteed money, the less trauma is caused the financial industry and the less cost for the Federal Government.

Institutions that weaken to nonviable levels should be told in no uncertain terms that they must promptly raise capital or be subject to Government takeover. Owners who refuse to are generally concerned with dilution of stock and institution control, neither of which should be primary concerns of the Government. The operative assumption must be that solvent institutions can raise cash; insolvent ones can't. If owners refuse or the market is unobliging, the Government should act.

On the other hand, utilization of taxpayer funds to bail out existing shareholders of failed or failing institutions goes beyond early resolution and enters the realm of corporate welfare. Likewise, the principle of assisted mergers which make the Government part owner of an institution implies corporate socialism.

One of the difficulties of this debate is that the goals and strategies contemplated in assisted mergers have never been clearly defined.

When the prospect of assisted mergers was first broached several months age, a top official suggested to me that the main approach under consideration was one in which the Government would infuse funds into a failing thrift or combine resources with several failing institutions, causing taxpayers in effect to become partners with the old shareholders of such thrifts. This form of open thrift assistance would not only be violative of the principle that no taxpayer funds be used to protect shareholders of failing institutions but would put the Government in partnership with failed managers.

The second approach broached more recently is one in which the Government would become partners with the shareholders of a viable institution which takes over a failed institution. Shareholders and bondholders of the failed institution would presumably be wiped out. While this approach recognizes an institution's right to fail, it establishes the Government as an active partner in a mixed private/public enterprise.

A variation of both of these approaches which a regulator suggests may be under consideration is combining to large institutions, giving an equity stake or warrants to some existing shareholders, infusing Government funds, and then seeking new outside capital

But if the Government miscalculated on the depth of the hole, particularly if real estate values continue on a downward trend, the Government could be accused in this scenario of inducing investors to make a poor investment. New investors would almost certainly feel misled and could be expected to sue the Government for presenting a misleading image.

This puts the Government in an untenable situation. Would the Government let fail an institution in which it has invested capital or would it continue to invest more capital, which could defy rationality? Are new equity holders likely to cotton to an arrange-

ment whereby their interests are potentially dilutable by former shareholders? Is it clear one $40 billion institution is more manageable and investor attractive than two $20 billion ones? Can indeed a Government partnership be allowed to fail? Or be fairly regulated, particularly if loan writedowns have the effect of requiring greater infusions of Federal resources?

My opposition to assisted mergers which mix public and private funds is based on philosophical, economical, and fairness grounds.

The public is rightfully outraged by the savings and loan bailout. Before the depositor bailout is complete, it is estimated that $200 to $300 billion in taxpayer funds, excluding the costs of interest, will be needed, 2½ times this amount once interest is calculated over 30 years. So far the taxpayers have reluctantly born this burden with the understanding from Washington that such funds would only go to protect depositors, and not to line the pockets of S&L owners who looted, mismanaged, or simply had bad luck in running their institutions. Now the Federal Government is indicating that this money may be used to bail out former thrift owners or support new ones.

The deposit insurance system was created to protect depositors, not shareholders of insolvent or solvent financial institutions.

While some Members of Congress representing States where a number of institutions are on the cusp of difficulty favor assisted mergers and have stated they will only support further RTC funding requests if the Government is allowed to protect current investors, I must confess—at the risk of sounding petulant—to being so skeptical of the wisdom of mixing public and private capital in financial institutions, that I would be hard pressed to support future RTC funding requests if such a program is implemented.

Investing Government funds in failed thrifts is unfair to other institutions which have operated prudently. For too long these institutions have had to compete against the cut throat and irrational market behavior of failing institutions for deposits as well as loan customers. Under the plan currently under consideration, instead of letting competitive forces weed rogue or weak thrifts from the market, the Government will either reward their or future owners with Federal funds, allowing them to continue to compete in the marketplace, not only with FDIC insurance but explicit Treasury backing. Whether or not some institutions are too big to fail it is hard to believe the Government would allow a Government enterprise to go bankrupt, and the market would assuredly recognize this competitively advantageous circumstance.

Such an approach thus eviscerates the character of the free market system. It could not be more ironic that the more conservative political party is toying with a father-knows-best policy, intervening in the market to decide which thrifts will be allowed to stay afloat with Government funds and which will be taken over for lack of them. The Government should not be in the business of either picking winners or subsidizing losers in the free enterprise system.

If the Government intervenes as a partner with new or old shareholders, hidden costs to other institutions inevitably develop.

In an industry marked by overcapacity, there is little or no economic case for maintaining arbitrarily a greater number of institutions.

Furthermore, for every institution which gets funds, another institution will be turned down. This raises the inevitable prospect that conflicts of interest, political or economic, will materialize.

It is no secret that this plan is being put forward to benefit certain large thrifts on both coasts which are having difficulties with commercial real estate loans. The implication seems to be it is OK to close smaller thrifts which failed because they mismanaged home lending, but allow larger thrifts which provided imprudent loans to commercial real estate developers to be subsidized.

If rumors have validity, one senses that an underlying rationale for supporting current thrifts and thrift owners in California and Florida is a political factor: Both States are pivotal in Presidential politics. Yet, my view is that such considerations are not only morally wrong and economically wasteful, they are politically counterproductive. The politics of open thrift assistance which protects any current vested interest is social dynamite.

For every thrift owner bailed out, there will be recriminations from those the Government will refuse or have refused to support.

For every shareholder protected, there will be a competitor understandably angered.

For every corporate Socialist, there are thousands of free marketeers who believe businesses should have the right to fail.

For every Government bureaucrat who thinks he can assess private sector risks and manage incentive system opportunities better than free enterprise entrepreneurs, there are dozens of citizen skeptics.

I understand one of the motives for this approach is to precipitate resolution of problems before the OTS/RTC resolution authority expires so that the Government—that is, the taxpayer—becomes accountable for supporting the hole rather than the SAIF—which is principally to be industry supported. As a Member of Congress with a primary obligation to the taxpayer, it strikes me that this taxpayer-be-damned attitude is indefensible. I also object to the timetable pressures implicit in such decisionmaking. The history of decisions made under strenuous timetables has not produced impressive results in the resolution arena.

Proponents of mixing public and private capital argue that assisted mergers will save the Resolution Trust Corporation, and consequently the taxpayer, money. Such cost-benefit analysis should be scrutinized with great skepticism. I do not doubt the sincerity with which this perspective is advanced. I do suspect, however, that assurances that assisted mergers will be less costly are about as credible as those assurances made in December 1988 relating to Federal home loan bank deals.

Least cost judgments are by definition capricious, generally postulated against assumptions that are unreal. It is thoroughly unfair to suggest, for example, that the cost to the Government of resolving existing marginal institutions will be as great as the cost of resolving earlier thrift situations where insolvency problems were more significant, particularly with the reduction in cost of funds that has occurred in the last 2 years.

While the economy at large has weakened in the last 18 months, the macroeconomic environment for the thrift industry has markedly improved. Fixed rate mortgages made when long-term rates were in double digits are worth more now that long-term rates are well below 10 percent. Furthermore, adjustable rate mortgages already on the books are also more valuable in a low interest rate environment.

As for commercial real estate loans, losses will have to be countenanced no matter who takes over the thrift.

For the Government to contend it can run a thrift as a cost savings effort, it has to have confidence not only in the macroeconomics of the economy but the microeconomics of the real estate industry. It must assume it has employees capable enough and with adequate incentive to do careful due diligence studies of the loans and accounting practices of a failing institution. Here, as an aside, let me stress that there is a difference between Government accounting and the numbers that real investors may give more weight. After all, rap accounting is to accounting what rap music is to music: jarring to the nerves.

Anyone can develop a model—and I understand some in the bowels of OTS are trying—that might show savings would accrue to the taxpayer if the Government adopted an open thrift assistance approach, controlling and managing institutions, instead of marketing insolvent thrifts in a competitive bidding process. The problem is

that such presumed savings are premised on the assumption that Government bureaucrats better understand the market than private sector players and that the taxpayer's position is best hedged by a bet against the market at any point in time.

The problem also is that models must be developed with assumptions that are credible. A model might show savings could accrue to the Government with open thrift assistance if commercial real estate values remain stable, if accounting practices are valid, if management is sage. But what if commercial real estate values decline 10 or 20 percent in a given area or 60 percent, as occurred in Iowa agriculture from 1980 to 1986, or if accounting practices mask deeper problems, or if management is less than competent?

I don't know who in Washington is smart enough to assess and manage this kind of risk. Certainly not the people who allow loan loss reserves to be counted as capital for financial institutions, who brought us the 1988 Federal Home Loan Bank Board deals, who dreamed up the Patriot deal.

There is an old adage that all politics is local. An analogous observation is that all real estate is local. Washington has shown time and again over the last decade that it is constitutionally incapable of understanding the banking or real estate industries, which at this time are inextricably linked.

Two of the oldest jokes on the rotary circuit are the assertions that "the check is in the mail" and "I'm from the Federal Government and I'm here to help." The country has doubts that a congressionally funded institution will put the check on a timely basis in the mail and that the Federal Government can competently run financial institutions.

In yesterday's hearings before Federal regulators, two destinguished Members of the Senate suggested that one goal of open thrift assistance was credit control, that a Government-controlled institution should be obligated to keep current lending obligations.

Credit controls for general purpose financial institutions have a long and sorry history worldwide. While it may be accurate to suggest that the Reconstruction Finance Administration knew some success with targeted lending during a period of intense depression, there is no evidence anytime, anywhere that Government-run all purpose banks have become anything except wards of the taxpayer. They don't work.

My instinct is to accept precise losses today instead of incalculable losses tomorrow.

Finally, one aspect of the current landscape of finance demands attention. There is no evidence that private/public sector partnerships work, except in the case of the GSE's where legislative protection is provided. The private sector perceives public-private ventures either as an opportunity to take advantage of the Government or as so undesirable that companies can be expected to exact a premium if the Government insists on joining the board.

The question thus has to be raised whether politicians and regulators have not been sold a bill of goods by the institutions that would like to live upon and leverage Government money or by an industry which wants the taxpayers rather than itself to carry the burden of its liabilities.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. PETERSON of Florida (at the request of Mr. GEPHARDT) for Wednesday, March 25, and Thursday, March 26, on account of official business.

Mr. YOUNG of Florida (at the request of Mr. MICHEL) for today after 3 p.m., on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. LEACH) to revise and extend their remarks and include extraneous material:)

Mrs. BENTLEY, for 60 minutes each day, on April 1, 2, 6, 7, 8, 9, 22, 23, 29, and 30.

Mr. DREIER of California, for 60 minutes, today.

(The following Members (at the request of Mr. BRUCE) to revise and extend their remarks and include extraneous material:)

Mr. HOYER, for 5 minutes, today.

Mr. BILBRAY, for 5 minutes, today.

Mr. FALEOMAVAEGA, for 5 minutes, today.

Mr. STOKES, for 5 minutes today, and 60 minutes on April 2, 3, 6, 7, 8, 9, 10, 27, 28, 29, and 30.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GLICKMAN, for 10 minutes, today.

Mr. JONTZ, for 60 minutes, on April 8 and 9.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. LEACH) and to include extraneous matter:)

Mr. MARLENEE.
Mr. WEBER.
Mr. VANDER JAGT.
Mr. BALLENGER in three instances.
Mr. FIELDS.
Mr. GREEN of New York.
Mr. JOHNSON of Texas.
Ms. ROS-LEHTINEN in 8 instances.
Mr. COMBEST.
Mr. BURTON of Indiana.
Mr. PACKARD in two instances.
Mr. HENRY.
Mr. RINALDO.
Mr. DAVIS of Michigan in two instances.
Mr. RHODES.
Mrs. JOHNSON of Connecticut.
Mr. MICHEL.
Mr. LAGOMARSINO.
Mr. FRANKS of Connecticut.
Mr. BEREUTER.
Mr. GEKAS.
Mr. SOLOMON.
Mr. YOUNG of Florida.
Mr. CAMPBELL of California.
Mr. GILMAN.

(The following Members (at the request of Mr. BRUCE and to include extraneous matter:)

Mr. LANTOS in two instances.
Mr. HOYER.
Mr. HAMILTON.
Mr. MAZZOLI.
Mr. RANGEL.
Mr. SMITH of Florida.
Mr. FALEOMAVAEGA.
Mr. HAMILTON.
Mr. ANDREWS of Texas.
Mr. TORRICELLI.
Mr. FASCELL in three instances.
Mr. BROWN.
Mr. SIKORSKI.
Mr. EDWARDS of California.
Mr. YATRON.
Mrs. SCHROEDER.
Mr. VISCLOSKY.
Mr. SERRANO.
Mr. MARKEY.
Mr. WOLPE.
Mr. RAHALL.
Ms. NORTON in two instances.
Mr. FAZIO.
Mr. PICKETT.
Mr. BONIOR.
Mr. SWETT.
Mr. HUBBARD.
Mr. PETERSON of Florida.

ADJOURNMENT

Mr. LEACH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 40 minutes p.m.) under its previous order the House adjourned until Monday, March 30, 1992, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3172. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 9–171, "Well-Child Care Amendment Act of 1992," and report, pursuant to D.C. Code, section 1–233(c)(1); to the Committee on the District of Columbia.

3173. A letter from the Chairman, Council of the District of Columbia, transmitting a

copy of D.C. Act 9-172, "Florida Avenue Baptist Church Equitable Real Property Tax Relief Act of 1992," and report, pursuant to D.C. Code, section 1-233(c)(1); to the Committee on the District of Columbia.

3174. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 9-173, "Vital Records Adoptive Birth Registration Amendment Act of 1992," and report, pursuant to D.C. Code, section 1-233(c)(1); to the Committee on the District of Columbia.

3175. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 9-174, "Medlantic Long Term Care Corporation Equitable Real Property Tax Relief Act of 1992," and report, pursuant to D.C. Code, section 1-233(c)(1); to the Committee on the District of Columbia.

3176. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 9-175, "Community-Based Residential Facilities Act of 1992," and report, pursuant to D.C. Code, section 1-233(c)(1); to the Committee on the District of Columbia.

3177. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 9-176, "Twelfth Street Christian Church Equitable Real Property Tax Relief Act of 1992," and report, pursuant to D.C. Code, section 1-233(c)(1); to the Committee on the District of Columbia.

3178. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 9-177, "Covenant Baptist Church Equitable Real Property Tax Relief Act of 1992," and report, pursuant to D.C. Code, section 1-233(c)(1); to the Committee on the District of Columbia.

3179. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 9-178, "Archbishop Carroll High School Equitable Real Property Tax Relief Act of 1992," and report, pursuant to D.C. Code, section 1-233(c)(1); to the Committee on the District of Columbia.

3180. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 9-179, "Holy Land Spiritual Temple Equitable Real Property Tax Relief Act of 1992," and report, pursuant to D.C. Code, section 1-233(c)(1); to the Committee on the District of Columbia.

3181. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 9-180, "Parish of Our Lady Queen of Americas Equitable Real Property Tax Relief Act of 1992," and report, pursuant to D.C. Code, section 1-233(c)(1); to the Committee on the District of Columbia.

3182. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 9-181, "Pipeline Safety Penal Provisions Amendment Act of 1992," and report, pursuant to D.C. Code, section 1-233(c)(1); to the Committee on the District of Columbia.

3183. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 9-182, "Young Women's Christian Association of the National Capital Area Equitable Real Property Tax Relief Act of 1992," and report, pursuant to D.C. Code, section 1-233(c)(1); to the Committee on the District of Columbia.

3184. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 9-183, "Folger Shakespeare Library Equitable Real Property Tax Relief Act of 1992," and report, pursuant to D.C. Code, section 1-233(c)(1); to the Committee on the District of Columbia.

3185. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 9-184, "Advisory Neighborhood Commissions Boundaries Act of 1992," and report, pursuant to D.C. Code, section 1-233(c)(1); to the Committee on the District of Columbia.

3186. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 9-185, "District of Columbia Real Property Tax Revision Temporary Amendment Act of 1992," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on the District of Columbia.

3187. A letter from the Secretary of Education, transmitting Final Regulations—Library Services and Construction Act State-Administered Program, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

3188. A letter from the Chairman, Federal Communications Commission, transmitting a report of activities under the Freedom of Information Act for calendar year 1991, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3189. A letter from the Administrator, Environmental Protection Agency, transmitting the Department's 1990 annual report on progress in implementing requirements concerning the Nation's worst hazardous waste sites, pursuant to Public Law 99-499, section 120(e)(5) (100 Stat. 1669); jointly, to the Committees on Energy and Commerce and Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DERRICK: Committee on Rules. House Resolution 410. Resolution providing for the consideration of H.R. 3732, a bill to amend the Congressional Budget Act of 1974 to eliminate the division of discretionary appropriations into 3 categories for purposes of a discretionary spending limit for fiscal year 1993, and for other purposes (Rept. 102-470). Referred to the House Calendar.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 3247. A bill to establish a National Undersea Research Program within the National Oceanic and Atmospheric Administration; with an amendment; referred to the Committee on Science, Space, and Technology for a period ending not later than May 1, 1992, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of that committee pursuant to clause 1(r) of rule X. (Rept. 102-469, pt. 1). And ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of Texas:

H.R. 4588. A bill to amend the Internal Revenue Code of 1986 to simplify the application of the provisions relating to deposit requirements for employment taxes; to the Committee on Ways and Means.

By Mr. BALLENGER:

H.R. 4589. A bill to extend the existing suspension of duty on machines designed for heat-set, stretch texturing of continuous manmade fibers; to the Committee on Ways and Means.

By Mr. BILBRAY:

H.R. 4590. A bill to establish the Spring Mountain National Recreation Area in Nevada, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ENGLISH (for himself, Mr. BREWSTER, and Mr. RANGEL):

H.R. 4591. A bill to amend the Job Training Partnership Act to establish a community works progress program, a youth community corps program, and a national youth community corps program, and for other purposes; jointly, to the Committees on Education and Labor and Ways and Means.

By Mr. FALEOMAVAEGA:

H.R. 4592. A bill to amend the Native American Programs Act of 1974 to increase the authorization of appropriations, and for other purposes; to the Committee on Education and Labor.

By Mr. FRANKS of Connecticut:

H.R. 4593. A bill to amend the Internal Revenue Code of 1986 to permit loans from individual retirement plans for certain first-time home buyer, education, and medical emergency expenses; to the Committee on Ways and Means.

By Mr. GLICKMAN:

H.R. 4594. A bill to provide for comprehensive health care access expansion and cost control through standardization of private health care insurance and other means; jointly, to the Committees on Energy and Commerce, Ways and Means, the Judiciary, and Rules.

By Mr. HENRY:

H.R. 4595. A bill to encourage institutions of higher education to use Federal research and development funding for the support of American students, and for other purposes; jointly, to the Committees on Science, Space, and Technology and Education and Labor.

By Mr. HOLLOWAY:

H.R. 4596. A bill to suspend until January 1, 1995, the duty on Aminochlorotoulene [ACT]; to the Committee on Ways and Means.

By Mr. KANJORSKI:

H.R. 4597. A bill to suspend until January 1, 1995, the duty on 4-(6-fluoro-2 methyl indine-3-methyl) phenyl methyl sulphide dissolved in toulene, also known as IN-4; to the Committee on Ways and Means.

H.R. 4598. A bill to suspend until January 1, 1995, the duty on p-nitrobenzyl alcohol; to the Committee on Ways and Means.

By Mr. MORAN:

H.R. 4599. A bill to protect the privacy of individuals by restricting access to driver's license information; to the Committee on the Judiciary.

By Mr. SANTORUM:

H.R. 4600. A bill to eliminate the tobacco price support program; to the Committee on Agriculture.

H.R. 4601. A bill to provide for an annual disaster assistance program for agricultural producers in lieu of crop insurance provided through the Federal Crop Insurance Corporation; to the Committee on Agriculture.

H.R. 4602. A bill to amend the Food Security Act of 1985 to strengthen payment limitations on the total amount of deficiency payments that may be made to a person

under commodity programs and to restrict eligibility for participation in such programs; to the Committee on Agriculture.

H.R. 4603. A bill to amend the Agricultural Act of 1949 to reduce the number of payment acres used for the calculation of deficiency payments for program crops; to the Committee on Agriculture.

H.R. 4604. A bill to amend the Agricultural Act of 1949 to lower the target price of program crops in commodity programs operated by the Department of Agriculture; to the Committee on Agriculture.

H.R. 4605. A bill to reduce the loan subsidies available from the Rural Electrification Administration, and to require such administration, in providing loan guarantees, to charge a fee equal to 1 percent of the amounts guaranteed; to the Committee on Agriculture.

H.R. 4606. A bill to direct that the SSN–21 Seawolf Attack Submarine Program be terminated; to the Committee on Armed Services.

H.R. 4607. A bill to require that the Strategic Defense Initiative Program be carried out as a research and development program, without deployment of any antiballistic missile systems other than 100 ground-based missile interceptors deployed consistent with the 1972 ABM Treaty; to the Committee on Armed Services.

H.R. 4608. A bill to cancel the remainder of the B–2 Bomber Aircraft Program; to the Committee on Armed Services.

H.R. 4609. A bill to suspend indefinitely the activities of the Department of Energy relating to the production of nuclear weapons: to the Committee on Armed Services.

By Mrs. SCHROEDER:

H.R. 4610. A bill to amend title 11 of the United States Code with respect to supplemental permanent injunctions; to the Committee on the Judiciary.

By Mr. SHAW (for himself and Mr. GINGRICH):

H.R. 4611. A bill to amend title 28, United States Code, to include Members of Congress among the officers and employees of the Government with respect to whom independent counsel would be appointed in certain circumstances; to the Committee on the Judiciary.

By Mr. SOLOMON:

H.R. 4612. A bill to repeal and prohibit all privileges and gratuities for members of the U.S. House of Representatives; to the Committee on House Administration.

By Mr. THOMAS of Wyoming:

H.R. 4613. A bill to clarify the application of Federal preemption of State and local laws, to preserve State and local legislative rights and prerogatives, and for other purposes; to the Committee on Government Operations.

By Mr. TRAFICANT:

H.R. 4614. A bill to direct the Secretary of Transportation to conduct a research and development program on the use of nonhazardous solid wastes in the construction of the surface transportation system; to the Committee on Science, Space, and Technology.

By Mrs. UNSOELD (for herself, Mr. SWIFT, Mr. MORRISON, and Mr. DICKS):

H.R. 4615. A bill to contribute to the conservation of the northern spotted owl and the protection of old growth resources through support for an experimental management program on State-owned trust lands on the western Olympic Peninsula of the State of Washington; jointly, to the Committees on Merchant Marine and Fisheries and Agriculture.

By Mr. ZIMMER:

H.R. 4616. A bill to amend the Internal Revenue Code of 1986 with respect to treatment of certain bargain sales of real property; to the Committee on Ways and Means.

By Mr. FAWELL (for himself and Mr. PENNY (both by request), Mr. ALLARD, Mr. ARMEY, Mr. BALLENGER, Mr. BOEHNER, Mr. BURTON OF INDIANA, Mr. CRANE, Mr. EWING, Mr. HANCOCK, Mr. HASTERT, Mr. HYDE, Mr. KLUG, Mr. NUSSLE, Mr. PACKARD, Mr. PORTER, Mr. STEARNS, Mr. WALKER, Mr. ZIMMER, and Mr. DOOLITTLE):

H.R. 4617. A bill to rescind certain budget authority proposed to be rescinded (R92–2 through R92–7, R92–9 through R92–16, and R92–18 through R92–33) in a special message transmitted to the Congress by the President on March 10, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4618. A bill to rescind certain budget authority proposed to be rescinded (R92–35) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4619. A bill to rescind certain budget authority proposed to be rescinded (R92–36) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4620. A bill to rescind certain budget authority proposed to be rescinded (R92–37) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4621. A bill to rescind certain budget authority proposed to be rescinded (R92–38) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4622. A bill to rescind certain budget authority proposed to be rescinded (R92–39) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4623. A bill to rescind certain budget authority proposed to be rescinded (R92–40) in a special message transmitted to the Congress by the President on March 20, 1992 in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4624. A bill to rescind certain budget authority proposed to be rescinded (R92–41) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4625. A bill to rescind certain budget authority proposed to be rescinded (R92–42) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

By Mr. FAWELL (for himself and Mr. PENNY (both by request), Mr. ALLARD, Mr. ARMEY, Mr. BALLENGER, Mr. BOEHNER, Mr. BURTON of Indiana, Mr. CRANE, Mr. EWING, Mr. HANCOCK, Mr. HASTERT, Mr. HYDE, Mr. KLUG, Mr. NUSSLE, Mr. PACKARD, Mr. PORTER, Mr. STEARNS, Mr. WALKER, Mr. ZIMMER, Mr. DOOLITTLE, and Mr. STENHOLM):

H.R. 4626. A bill to rescind certain budget authority proposed to be rescinded (R92–43) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4627. A bill to rescind certain budget authority proposed to be rescinded (R92–44) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4628. A bill to rescind certain budget authority proposed to be rescinded (R92–45) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4629. A bill to rescind certain budget authority proposed to be rescinded (R92–46) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4630. A bill to rescind certain budget authority proposed to be rescinded (R92–47) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4631. A bill to rescind certain budget authority proposed to be rescinded (R92–48) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4632. A bill to rescind certain budget authority proposed to be rescinded (R92–49) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4633. A bill to rescind certain budget authority proposed to be rescinded (R92–50) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4634. A bill to rescind certain budget authority proposed to be rescinded (R92–51) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4635. A bill to rescind certain budget authority proposed to be rescinded (R92–52) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4636. A bill to rescind certain budget authority proposed to be rescinded (R92–53) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4637. A bill to rescind certain budget authority proposed to be rescinded (R92–54) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4638. A bill to rescind certain budget authority proposed to be rescinded (R92–55) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4639. A bill to rescind certain budget authority proposed to be rescinded (R92–56) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4640. A bill to rescind certain budget authority proposed to be rescinded (R92–57) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4641. A bill to rescind certain budget authority proposed to be rescinded (R92–58) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4642. A bill to rescind certain budget authority proposed to be rescinded (R92–59) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4643. A bill to rescind certain budget authority proposed to be rescinded (R92–60) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4644. A bill to rescind certain budget authority proposed to be rescinded (R92–61) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

By Mr. FAWELL (for himself and Mr. PENNY (both by request), Mr. ALLARD, Mr. ARMEY, Mr. BALLENGER, Mr. BOEHNER, Mr. BURTON of Indiana, Mr. CRANE, Mr. EWING, Mr. HANCOCK, Mr. HASTERT, Mr. HYDE, Mr. KLUG, Mr. NUSSLE, Mr. PACKARD, Mr. PORTER, Mr. STEARNS, Mr. WALKER, Mr. ZIMMER, and Mr. DOOLITTLE):

H.R. 4645. A bill to rescind certain budget authority proposed to be rescinded (R92–62) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4646. A bill to rescind certain budget authority proposed to be rescinded (R92–63) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4647. A bill to rescind certain budget authority proposed to be rescinded (R92–64) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4648. A bill to rescind certain budget authority proposed to be rescinded (R92–65) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

By Mr. FAWELL (for himself and Mr. PENNY (both by request), Mr. ALLARD, Mr. ARMEY, Mr. BALLENGER, Mr. BOEHNER, Mr. BURTON of Indiana, Mr. CRANE, Mr. EWING, Mr. HANCOCK, Mr. HASTERT, Mr. HYDE, Mr. KLUG, Mr. NUSSLE, Mr. PACKARD, Mr. PORTER, Mr. STEARNS, Mr. WALKER, Mr. ZIMMER, Mr. DOOLITTLE, and Mr. STENHOLM).

H.R. 4649. A bill to rescind certain budget authority proposed to be rescinded (R92–66) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4650. A bill to rescind certain budget authority proposed to be rescinded (R92–67) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4651. A bill to rescind certain budget authority proposed to be rescinded (R92–68) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4652. A bill to rescind certain budget authority proposed to be rescinded (R92–69) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4653. A bill to rescind certain budget authority proposed to be rescinded (R92–70) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4654. A bill to rescind certain budget authority proposed to be rescinded (R92–71) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4655. A bill to rescind certain budget authority proposed to be rescinded (R92–72) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4656. A bill to rescind certain budget authority proposed to be rescinded (R92–73) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4657. A bill to rescind certain budget authority proposed to be rescinded (R92–74) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4658. A bill to rescind certain budget authority proposed to be rescinded (R92–75) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4659. A bill to rescind certain budget authority proposed to be rescinded (R92–76) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4660. A bill to rescind certain budget authority proposed to be rescinded (R92–77) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4661. A bill to rescind certain budget authority proposed to be rescinded (R92–78) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4662. A bill to rescind certain budget authority proposed to be rescinded (R92–79) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4663. A bill to rescind certain budget authority proposed to be rescinded (R92–80) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4664. A bill to rescind certain budget authority proposed to be rescinded (R92–81) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4665. A bill to rescind certain budget authority proposed to be rescinded (R92–82) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4666. A bill to rescind certain budget authority proposed to be rescinded (R92–83) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4667. A bill to rescind certain budget authority proposed to be rescinded (R92–84) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4668. A bill to rescind certain budget authority proposed to be rescinded (R92–85) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4669. A bill to rescind certain budget authority proposed to be rescinded (R92–86) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4670. A bill to rescind certain budget authority proposed to be rescinded (R92–87) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

By Mr. FAWELL (for himself and Mr. PENNY (both by request), Mr. AL-

LARD, Mr. ARMEY, Mr. BALLENGER, Mr. BOEHNER, Mr. BURTON of Indiana, Mr. CRANE, Mr. EWING, Mr. HANCOCK, Mr. HASTERT, Mr. HYDE, Mr. KLUG, Mr. NUSSLE, Mr. PACKARD, Mr. PORTER, Mr. STEARNS, Mr. WALKER, Mr. ZIMMER, and Mr. DOOLITTLE):

H.R. 4671. A bill to rescind certain budget authority proposed to be rescinded (R92–88) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

By Mr. FAWELL (for himself and Mr. PENNY (both by request), Mr. ALLARD, Mr. ARMEY, Mr. BALLENGER, Mr. BOEHNER, Mr. BURTON of Indiana, Mr. CRANE, Mr. EWING, Mr. HANCOCK, Mr. HASTERT, Mr. HYDE, Mr. KLUG, Mr. NUSSLE, Mr. PACKARD, Mr. PORTER, Mr. STEARNS, Mr. WALKER, Mr. ZIMMER, Mr. DOOLITTLE, and Mr. STENHOLM):

H.R. 4672. A bill to rescind certain budget authority proposed to be rescinded (R92–89) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4673. A bill to rescind certain budget authority proposed to be rescinded (R92–90) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

By Mr. FAWELL (for himself and Mr. PENNY (both by request)) Mr. ALLARD, Mr. ARMEY, Mr. BALLENGER, Mr. BOEHNER, Mr. BURTON of Indiana, Mr. CRANE, Mr. EWING, Mr. HANCOCK, Mr. HASTERT, Mr. HYDE, Mr. KLUG, Mr. NUSSLE, Mr. PACKARD, Mr. PORTER, Mr. STEARNS, Mr. WALKER, Mr. ZIMMER, and Mr. DOOLITTLE):

H.R. 4674. A bill to rescind certain budget authority proposed to be rescinded (R92–91) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4675. A bill to rescind certain budget authority proposed to be rescinded (R92–92) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4676. A bill to rescind certain budget authority proposed to be rescinded (R92–93) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4677. A bill to rescind certain budget authority proposed to be rescinded (R92–94) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

By Mr. FAWELL (for himself and Mr. PENNY (both by request)), Mr. ALLARD, Mr. ARMEY, Mr. BALLENGER, Mr. BOEHNER, Mr. BURTON of Indiana, Mr. CRANE, Mr. EWING, Mr. HANCOCK, Mr. HASTERT, Mr. HYDE, Mr. KLUG, Mr. NUSSLE, Mr. PACKARD, Mr. PORTER, Mr. STEARNS, Mr. WALKER, Mr. ZIMMER, Mr. DOOLITTLE, and Mr. STENHOLM):

H.R. 4678. A bill to rescind certain budget authority proposed to be rescinded (R92–95) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4679. A bill to rescind certain budget authority proposed to be rescinded (R92–96) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4680. A bill to rescind certain budget authority proposed to be rescinded (R92–97) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4681. A bill to rescind certain budget authority proposed to be rescinded (R92–98) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4682. A bill to rescind certain budget authority proposed to be rescinded (R92–99) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 4683. A bill to rescind certain budget authority proposed to be rescinded (R92–100) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

By Mr. FAWELL (for himself and Mr. PENNY (both by request), Mr. ALLARD, Mr. ARMEY, Mr. BALLENGER, Mr. BOEHNER, Mr. BURTON of Indiana, Mr. CRANE, Mr. EWING, Mr. HANCOCK, Mr. HASTERT, Mr. HYDE, Mr. KLUG, Mr. NUSSLE, Mr. PACKARD, Mr. PORTER, Mr. STEARNS, Mr. WALKER, Mr. ZIMMER, and Mr. DOOLITTLE):

H.R. 4684. A bill to rescind certain budget authority proposed to be rescinded (R92–101 and R92–102) in a special message transmitted to the Congress by the President on March 20, 1992, in accordance with section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

By Mr. ANDREWS of Texas (for himself and Mr. ARCHER):

H.R. 4685. A bill to extend until January 1, 1995, the existing suspension of duty on furniture of unspun fibrous vegetable materials; to the Committee on Ways and Means.

H.R. 4686. A bill to extend until January 1, 1995, the existing suspension of duty on certain wicker products; to the Committee on Ways and Means.

By Mr. CAMPBELL of California:

H.R. 4687. A bill to direct the Secretary of the Interior to enter into negotiations with the State of California to transfer the Central Valley project to the State; to the Committee on Interior and Insular Affairs.

By Mr. DEFAZIO:

H.R. 4688. A bill to amend the Federal Aviation Act of 1958 to clarify that a Federal preemption of State regulation relating to rates, routes, or services of air carriers does not prohibit State regulation of intrastate motor carriage by air carriers; to the Committee on Public Works and Transportation.

By Mr. GEKAS:

H.R. 4689. A bill to require excess campaign funds to be deposited in the Treasury when the recipient leaves Federal office; to the Committee on House Administration.

By Mr. LAGOMARSINO (for himself, Mr. REGULA, Mr. TALLON, Mr. MCDADE, Mr. LEWIS of Florida, Mr. KOLBE, Mr. GLICKMAN, Mr. CAMPBELL of Colorado, and Mr. RHODES):

H.R. 4690. A bill to amend the Land and Water Conservation Fund Act of 1965 to provide for the establishment of the America the Beautiful Passport to facilitate access to certain federally administered lands and waters, and enhance recreation and visitor facilities thereon; to the Committee on Interior and Insular Affairs.

By Mr. OBERSTAR (for himself, Mr. ROE, Mr. HAMMERSCHMIDT, and Mr. CLINGER):

H.R. 4691. A bill to amend the Airport and Airway Improvement Act of 1982 to authorize appropriations for fiscal years 1993 and 1994, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. STEARNS:

H.R. 4692. A bill to amend title 2, United States Code, to provide that an increase in the rate of pay for members of Congress may not go into effect following a budget deficit in the preceding fiscal year; to the Committee on House Administration.

By Mr. TAUZIN (for himself, Mr. BATEMAN, Mr. JONES of North Carolina, Mr. DAVIS, and Mr. FIELDS):

H.R. 4693. A bill to amend title 46, United States Code, to prohibit the establishment and collection of any fee or charge for the issuance of any merchant mariners' document, license, or certificate of registry; to the Committee on Merchant Marine and Fisheries.

By Mr. YOUNG of Alaska:

H.R. 4694. A bill to provide for settlement of the land rights of the Kenai Natives Association, Inc., under section 14(h)(3) of the Alaska Native Claims Settlement Act, by providing for an authorizing grants and exchanges of lands and interest between such corporation and the United States, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. GRANDY:

H.J. Res. 452. Joint resolution designating the week of September 14 through September 20, 1992, as "National Small Independent Telephone Company Week"; to the Committee on Post Office and Civil Service.

By Mr. ROSE:

H.J. Res. 453. Joint resolution designating August 15, 1992, as "82d Airborne Division 50th Anniversary Recognition Day"; to the Committee on Post Office and Civil Service.

By Mr. STOKES (for himself, Mr. CONYERS, Mr. BROOKS, Mr. ROSE, Mr. HAMILTON, Mr. MOAKLEY, Mr. FAZIO, Mr. HORTON, Mr. TRAFICANT, Mr. WELDON, Mr. CLAY, Mr. CAMPBELL of Colorado, Mr. ROHRABACHER, Mr. AUCOIN, Mr. PICKETT, Mr. LEACH, Mr. MILLER of California, Mr. JACOBS, Mr. CLEMENT, Mr. WYLIE, Mrs. SCHROEDER, Mr. SERRANO, Mr. MCNULTY, Mr. MARTINEZ, Mr. SANTORUM, Mr. LEWIS of Florida, Mr. SHARP, Mr. DREIER, Mr. KOPETSKI, Mr. BEREUTER, Mr. EMERSON, Mr. WAXMAN, Mr. HEFLEY, Mr. PETERSON of Florida, Mr. GILMAN, Mr. BACCHUS, Mr. SKAGGS, Ms. SLAUGHTER, Mr. SLATTERY, Mr. ABERCROMBIE, and Mr. MINETA):

H.J. Res. 454. Joint resolution to provide for the expeditious disclosure of records relevant to the assassination of President John F. Kennedy; jointly, to the Committees on House Administration, Government Operations, Rules, and the Judiciary.

By Mr. SARPALIUS:

H.J. Res. 455. Joint resolution designating the 7-day period beginning on October 1, 1992, as "National Myasthenia Gravis Awareness Week"; to the Committee on Post Office and Civil Service.

By Mr. BILBRAY (for himself Mr. FASCELL, Mr. HAMILTON, Mr. SOLARZ, and Mr. GILMAN):

H. Con. Res. 299. Concurrent resolution expressing the sense of the Congress regarding the Kurds in northern Iraq; to the Committee on Foreign Affairs.

By Mr. HUGHES (for himself, Mr. SAXTON, Mr. ANDREWS of New Jersey, and Mr. GALLO):

H. Res. 406. Resolution amending the Rules of the House of Representatives to eliminate perquisites for Members of the House of Representatives, and for other purposes; to the Committee on Rules.

By Mr. BENNETT:

H. Res. 407. Resolution expressing the sense of the House of Representatives that Members who violated the law in the use of the Sergeant of Arms bank should be prosecuted and imposing a charge for checks drawn with insufficient funds; jointly to the Committees on the Judiciary and Rules.

By Mr. WYLIE:

H. Res. 408. Resolution providing for a study by the Comptroller General to determine the nature, extent, and cost of perquisites available to Members of the House and for action to reform such perquisites before the end of the 102d Congress; to the Committee on House Administration.

By Mr. GAYDOS:

H. Res. 409. Resolution providing amounts from the contingent fund of the House for continuing expenses of investigations and studies by the standing and select committees of the House from April 1, 1992, through April 30, 1992; considered and agreed to.

By Mr. PORTER:

H. Res. 411. Resolution commending President F.W. de Klerk, the south African Government, and the people of South Africa; to the Committee on Foreign Affairs.

PRIVATE RESOLUTION

Under clause 1 of rule XXII:

Mr. SARPALIUS introduced concurrent resolution (H. Con. Res. 300) recognizing the commitment of Cal Farley's Boys Ranch and Girlstown U.S.A. to raising young people, many of who are from broken homes; which was referred to the Committee on Education and Labor.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 23: Mr. JOHNSON of Texas, Mr. STUMP, Mr. DELAY, and Mr. SUNDQUIST.

H.R. 28: Mr. DUNCAN.

H.R. 44: Mr. LUKEN, Mr. BOEHNER, Mr. SMITH of Texas, Mr. BLAZ, Mr. CAMP, Mr. LEWIS of Florida, Mr. LANTOS, Mr. GUARINI, Mr. BROWDER, Mr. WALSH, Mr. KOPETSKI, Mr. JOHNSON of South Dakota, Mr. SUNDQUIST, Ms. HORN, Mr. TALLON, Mr. MINETA, Mr. BLACKWELL, Mr. MCDADE, Mr. ROGERS, and Mr. DOOLEY.

H.R. 298: Mr. ALLARD, Mr. FIELDS, Mr. GILLMOR, Mr. BOEHLERT, Mr. EWING, Mr. GEKAS, and Mr. ALLEN.

H.R. 423: Mr. CHANDLER.

H.R. 481: Mr. SWETT.

H.R. 786: Mr. KOPETSKI and Mr. MARLENEE.

H.R. 792: Mr. BAKER.

H.R. 840: Mr. SANDERS, Mr. RIGGS, and Mr. HATCHER.

H.R. 911: Mr. HERTEL, Mr. NAGLE, and Mr. YATRON.

H.R. 999: Mr. GILCHREST.

H.R. 1066: Mr. MORAN and Mr. DOWNEY.

H.R. 1289: Mr. ROHRABACHER.

H.R. 1406: Mr. REGULA.

H.R. 1443: Mr. JACOBS, Mr. JEFFERSON, Mr. LEWIS of Georgia, and Mr. DWYER of New Jersey.

H.R. 1633: Mrs. ROUKEMA.

H.R. 1755: Mr. ALLEN.

H.R. 1770: Mr. ATKINS and Mr. TOWNS.

H.R. 1886: Mr. SABO, Mr. KOSTMAYER, Mr. SIKORSKI, AND Mr. KOLTER.

H.R. 1889: Mr. BALLENGER, Mr. CONDIT, and Mr. HARRIS.

H.R. 1900: Mr. GUNDERSON.

H.R. 2017: Mr. MARTINEZ.

H.R. 2390: Mr. COLEMAN of Texas.

H.R. 2419: Mr. GRANDY, Mr. KOPETSKI, Mrs. UNSOELD, Mr. WOLPE, and Mr. FROST.

H.R. 2452: Mr. BATEMAN.

H.R. 2648: Ms. WATERS.

H.R. 2773: Mr. COX of California.

H.R. 2840: Mr. JACOBS.

H.R. 2906: Mr. PETERSON of Minnesota.

H.R. 2936: Mr. MCMILLEN of Maryland, Mr. PACKARD, and Mr. STUDDS.

H.R. 3121: Mrs. MORELLA, Mr. SCHIFF, and Mr. BILIRAKIS.

H.R. 3146: Mr. CAMPBELL of California.

H.R. 3221: Mr. LEACH, Mr. SMITH of New Jersey, Mr. DANNEMEYER, Mr. LOWERY of California, Mr. ALLARD, Mr. HUNTER, Mr. MILLER of Ohio, and Mr. ZELIFF.

H.R. 3292: Mr. MARKEY and Mrs. UNSOELD.

H.R. 3360: Mr. LAFALCE, Mr. HAYES of Louisiana, Mr. VALENTINE, Mr. ROE, Mr. MARTINEZ, and Mr. MINETA.

H.R. 3429: Mr. GILCHREST and Mr. CARDIN.

H.R. 3486: Mr. WEISS.

H.R. 3516: Mr. BAKER and Mr. MORAN.

H.R. 3555: Mr. CAMPBELL of Colorado, Mr. GOSS, Mr. IRELAND, and Ms. LONG.

H.R. 3605: Mr. BEILENSON.

H.R. 3668: Mr. BENNETT, Mr. CAMPBELL of Colorado, Mr. LEWIS of Florida, Mr. HERGER, Mr. VALENTINE, Ms. HORN, and Mr. JONTZ.

H.R. 3712: Mr. SOLOMON, Mr. EMERSON, Mr. RAVENEL, Mr. COX of California, and Mr. WEBER.

H.R. 3780: Mr. GILCHREST.

H.R. 3836: Mr. MRAZEK and Mrs. LOWEY of New York.

H.R. 3850: Mr. DICKINSON, Mr. BAKER, Mr. PACKARD, Mr. LAUGHLIN, Mrs. ROUKEMA, Mr. SOLOMON, Mr. MYERS of Indiana, Mr. HANCOCK, Mr. HAMMERSCHMIDT, Mr. GEKAS, Mr. BURTON of Indiana, Ms. MOLINARI, Mr. BARTON of Texas, Mr. DAVIS, and Mr. VANDER JAGT.

H.R. 3857: Mr. TAYLOR of North Carolina.

H.R. 3861: Mr. ZELIFF.

H.R. 3930: Mr. WYDEN, Mr. DELLUMS, Mr. EVANS, Mr. MURPHY, Mr. FOGLIETTA, Mr. HOCHBRUECKNER, Mr. RAHALL, and Mr. JONES of North Carolina.

H.R. 3961: Mr. ABERCROMBIE.

H.R. 3967: Mr. BATEMAN and Mr. DELAY.

H.R. 4022: Mr. TOWNS, Mr. BONIOR, Mr. GUARINI, Mr. HOCHBRUECKNER, Mr. SERRANO, Mr. MFUME, Mr. SAVAGE, Mr. PAYNE of New Jersey, Mr. JEFFERSON, Mrs. COLLINS of Illinois, Mr. TRAFICANT, and Mr. MAZZOLI.

H.R. 4045: Mr. MORAN.

H.R. 4073: Mr. FORD of Tennessee and Mr. MURPHY.

H.R. 4100: Mr. WHEAT, Mr. LEWIS of Georgia, and Mr. VOLKMER.

H.R. 4166: Mr. FROST, Mr. LIPINSKI, and Mrs. BOXER.

H.R. 4182: Mr. PACKARD.

H.R. 4207: Mr. BILBRAY and Mr. JONTZ.

H.R. 4211: Mr. DANNEMEYER and Mr. KENNEDY.

H.R. 4226: Mr. INHOFE, Mr. ZIMMER, Mr. SENSENBRENNER, and Mr. STALLINGS.

H.R. 4271: Mr. HARRIS, Mr. THOMAS of Georgia, Mr. BILBRAY, Mr. CAMPBELL of California, Mr. MCNULTY, Ms. PELOSI, and Ms. KAPTUR.

H.R. 4272: Mr. MICHEL, Mr. LEWIS of California, Mr. GINGRICH, Mr. SOLOMON, Mr. WALKER, Mr. LIVINGSTON, Mr. BARRETT, Mr. CARPER, Mr. HENRY, Mr. REGULA, Mr. RITTER, Mr. SANDERS, Mr. IRELAND, and Mr. AUCOIN.

H.R. 4275: Mr. JOHNSON of Texas, Mr. SHAYS, Mr. RHODES, Mr. CAMP, Mr. POSHARD, and Mr. LEVIN of Michigan.

H.R. 4295: Mr. DELAY.

H.R. 4315: Mr. PACKARD, Mr. KASICH, and Mr. ORTON.

H.R. 4375: Mr. SMITH of Oregon and Mr. EMERSON.

H.R. 4399: Mr. HUGHES.

H.R. 4416: Mrs. MINK, Mr. MORAN, Mr. MFUME, Mr. LEWIS of Georgia, and Mr. FASCELL.

H.R. 4427: Mr. MARTINEZ, Mr. SANDERS, and Mr. POSHARD.

H.R. 4446: Mr. SMITH of Oregon, Mr. HYDE, Mr. TAYLOR of Mississippi, Mr. MARTINEZ, Mr. HUCKABY, and Mr. PAYNE of Virginia.

H.R. 4453: Mr. CHAPMAN.

H.R. 4460: Mr. SCHIFF.

H.R. 4526: Mr. ANTHONY, Mr. ENGEL, Mr. HUGHES, Mr. HYDE, and Mr. OXLEY.

H.R. 4564: Mr. JOHNSON of South Dakota.

H.R. 4566: Mr. JOHNSON of South Dakota.

H.R. 4571: Mr. WAXMAN.

H.J. Res. 290: Mr. TRAFICANT.

H.J. Res. 357: Mr. BEILENSON.

H.J. Res. 371: Mr. KASICH, Mr. MOAKLEY, and Mr. MOORHEAD.

H.J. Res. 378: Mr. GILMAN.

H.J. Res. 393: Mr. ACKERMAN, Mr. ANDERSON, Mr. ANDREWS of New Jersey, Mr. BALLENGER, Mr. BERMAN, Mr. BILBRAY, Mrs. BOXER, Mr. BREWSTER, Mr. BROWDER, Mr. BRUCE, Mr. CARDIN, Mr. CLAY, Mr. CLEMENT, Mr. COLEMAN of Texas, Mr. CONYERS, Mr. COUGHLIN, Mr. DAVIS, Mr. DELLUMS, Mr. DE LUGO, Mr. DIXON, Mr. ERDREICH, Mr. FAZIO, Mr. FORD of Michigan, Mr. FROST, Mr. GONZALEZ, Mr. GUARINI, Mr. HEFNER, Mr. HOCHBRUECKNER, Mr. JEFFERSON, Mrs. JOHNSON of Connecticut, Mr. JOHNSON of South Dakota, Mr. JOHNSTON of Florida, Mr. JONES of Georgia, Mr. JONES of North Carolina, Mr. JONTZ, Mr. KANJORSKI, Mr. KASICH, Mr. KILDEE, Mr. KLUG, Mr. LAFALCE, Mr. LANCASTER, Mr. LEHMAN of Florida, Mr. LENT, Mr. LIPINSKI, Mr. LIVINGSTON, Mrs. LLOYD, Mr. MARKEY, Mr. MATSUI, Mr. MAVROULES, Mr. MCGRATH, Mr. MCMILLEN of Maryland, Mrs. MEYERS of Kansas, Mr. MFUME, Mr. MILLER of Washington, Mr. MOORHEAD, Mr. MORAN, Mr. NOWAK, Ms. OAKAR, Mr. OBERSTAR, Mr. ORTIZ, Mr. OWENS of New York, Mr. PAXON, Mr. PAYNE of New Jersey, Mr. POSHARD, Mr. PURSELL, Mr. RANGEL, Mr. ROE, Mr. ROHRABACHER, Mrs. ROUKEMA, Mr. SANDERS, Mr. SANGMEISTER, Mr. SAVAGE, Mr. SCHUMER, Mr. SKEEN, Mr. SKELTON, Ms. SLAUGHTER, Mr. SPRATT, Mr. TANNER, Mr. TAYLOR of North Carolina, Mr. THOMAS of Georgia, Mr. TRAXLER, Mrs. UNSOELD, Mr. VALENTINE, Mr. VANDER JAGT, Mrs. VUCANOVICH, Mr. WALSH, Mr. WAXMAN, Mr. WEBER, Mr. WILSON, Mr. WISE, and Mr. WOLF.

H.J. Res. 399: Mr. LAFALCE and Mr. WALSH.

H.J. Res. 424: Mr. KOSTMAYER, Mr. FOGLIETTA, Mr. MINETA, Mr. BLAZ, Mr. BATEMAN, and Mr. HERTEL.

H.J. Res. 430: Mr. KANJORSKI, Mr. BLILEY, Mr. POSHARD, Mr. CLEMENT, Mr. MYERS of Indiana, Mr. LANCASTER, Mr. HATCHER, Mr. BUSTAMANTE, Mr. WASHINGTON, Mr. JONES of North Carolina, Mr. SAVAGE, Ms. PELOSI, Mr. BATEMAN, Mr. GILMAN, Mr. SHAYS, and Mr. FOGLIETTA.

H.J. Res. 432: Mr. CLEMENT, Ms. HORN, Mr. COLORADO, Mr. HORTON, Mr. HUGHES, Mr. ALEXANDER, Mr. MCMILLEN of Maryland, Mr. MATSUI, and Mr. BENNETT.

H.J. Res. 439: Mr. GUARINI and Mr. LIPINSKI.

H.J. Res. 440: Mr. ATKINS, Mr. FALEOMAVAEGA, Mr. KOPETSKI, Mr. LEVIN of Michigan, Mr. MCDERMOTT, Mr. MCHUGH, Mr. RANGEL, Mr. STUDDS, and Mr. YATES.

H.J. Res. 447: Mr. THOMAS of Wyoming.

H.J. Res. 450: Mr. MCNULTY, Mr. MCMILLEN of Maryland, Mr. POSHARD, Mr. LIPINSKI, Mr. LANCASTER, Ms. MOLINARI, and Mr. CRAMER.

H. Con. Res. 224: Mr. MILLER of California.

H. Con. Res. 246: Mr. MOLLOHAN, Mr. ERDREICH, Mr. PAYNE of New Jersey, Mr. DOOLEY, Mr. MOAKLEY, Mr. WASHINGTON, Mr. STALLINGS, Mr. REED, Mr. FORD of Tennessee, Mrs. LOWEY of New York, Mr. WHEAT, Mr. ACKERMAN, Mr. HATCHER, Mr. HALL of Ohio, and Mr. JEFFERSON.

H. Con. Res. 263: Mr. KOLTER.

H. Con. Res. 276: Mr. EMERSON, Mr. VOLKMER, Mr. WOLF, and Mr. HASTERT.

H. Res. 26: Mr. DOOLITTLE, Mr. SAXTON, Mrs. BYRON, and Ms. MOLINARI.

H. Res. 204: Mr. HARRIS.

H. Res. 377: Mr. MCCLOSKEY and Mr. KOSTMAYER.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3732

By Mr. SOLOMON:

—Strike all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Budget Process Reform Act of 1992".

SEC. 2. LEGISLATIVE LINE ITEM VETO RESCISSION AUTHORITY.

(a) SHORT TITLE.—This section may be cited as the "Legislative Line Item Veto Act of 1992".)

(b) IN GENERAL.—Notwithstanding the provisions of part B of title X of The Congressional Budget and Impoundment Control Act of 1974, and subject to the provisions of this section, the President may rescind all or part of any discretionary budget authority for fiscal year 1993 which is subject to the terms of this Act if the President—

(1) determines that—

(A) such rescission would help balance the Federal budget, reduce the Federal budget deficit, or reduce the public debt;

(B) such rescission will not impair any essential Government functions;

(C) such rescission will not harm the national interest; and

(D) such rescission will directly contribute to the purpose of this Act of limiting discretionary spending in fiscal year 1993; and

(2) notifies the Congress of such rescission by a special message not later than 20 calendar days (not including Saturdays, Sundays, or holidays) after the date of enactment of a regular or supplemental appropriations Act for fiscal year 1993 or a joint resolution making continuing appropriations providing such budget authority for fiscal year 1993. The President shall submit a separate rescission message for each appropriations bill under this paragraph.

(c) RESCISSION EFFECTIVE UNLESS DISAPPROVED.—(1)(A) Any amount of budget authority rescinded under this section as set forth in a special message by the President shall be deemed canceled unless during the period described in subparagraph (B), a rescission disapproval bill making available all of the amount rescinded is enacted into law.

(B) The period referred to in subparagraph (A) is—

(i) a congressional review period of 20 calendar days of session under subsection (e), during which Congress must complete action on the rescission disapproval bill and present such bill to the President for approval or disapproval;

(ii) after the period provided in clause (i) an additional 10 days (not including Sundays) during which the President may exercise his authority to sign or veto the rescission disapproval bill; and

(iii) if the President vetoes the rescission disapproval bill during the period provided in clause (ii) , an additional 5 calendar days of session after the date of the veto.

(2) If a special message is transmitted by the President under this section during any Congress and the last session of such Congress adjourns sine die before the expiration of the period described in paragraph (1)(B), the rescission shall not take effect. The message shall be deemed to have been retransmitted on the first day of the succeeding Congress and the review period referred to in paragraph (1)(B) (with respect to such message shall run beginning after such first day).

(d) DEFINITIONS.—For purposes of this section the term rescission disapproval bill means a bill or joint resolution which only disapproves a rescission of discretionary budget authority for fiscal year 1993, in whole, rescinded in a special message transmitted by the President under this section.

(e) CONGRESSIONAL CONSIDERATION OF LEGISLATIVE LINE ITEM VETO RESCISSIONS.—

(1) PRESIDENTAL SPECIAL MESSAGE.—WHENEVER THE PRESIDENT RESCINDS ANY BUDGET AUTHORITY AS PROVIDED IN THIS SECTION, THE PRESIDENT SHALL TRANSMIT TO BOTH HOUSES OF CONGRESS A SPECIAL MESSAGE SPECIFYING—

(A) the amount of budget authority rescinded;

(B) any account, department, or establishment of the Government to which such budget authority is available for obligation, and the specific project or governmental functions involved;

(C) the reasons and justifications for the determination to rescind budget authority pursuant to this section;

(D) to the maximum extent practicable, the estimated fiscal, economic, and budgetary effect of the rescission; and

(E) all factions, circumstances, and considerations relating to or bearing upon the rescission and the decision to effect the rescission, and to the maximum extent practicable, the estimated effect of the rescission upon the objects, purposes, and programs for which the budget authority is provided.

(2) TRANSMISSION OF MESSAGES TO HOUSE AND SENATE.—

(A) Each special message transmitted under this section shall be transmitted to the House of Representatives and the Senate on the same day, and shall be delivered to the Clerk of the House of Representatives if the House is not in session, and to the Secretary of the Senate if the Senate if not in session. Each special message so transmitted shall be referred to the appropriate committees of the House of Representatives and the Senate. Each such message shall be printed as a document of each House.

(B) any special message transmitted under this section shall be printed in the first issue of the Federal Register published after such transmittal.

(3) REFERRAL OF RESCISSION DISAPPROVAL BILLS.—

Any rescission disapproval bill introduced with respect to a special message shall be referred to the appropriate committees of the House of Representatives or the Senate, as the case may be.

(4) CONSIDERATION IN THE SENATE.—

(A) Any rescission disapproval bill received in the Senate from the House shall be considered in the Senate pursuant to the provisions of this section.

(B) Debate in the Senate on any rescission disapproval bill and debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours. The time shall be equally divided between and controlled by, the majority leader and the minority leader or their designees.

(C) Debate in the Senate on any debatable motions or appeal in connection with such bill shall be limited to 1 hour, to be equally divided between, and controlled by the mover and the manager of the bill, except that in the event the manager of the bill is in favor of any such motion or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from the time under their control on the passage of the bill, allot additional time to any Senator during the consideration of any debatable motion or appeal.

(D) A motion to further limit debate is not debatable. A motion to recommit (except a motion to recommit with instructions to report back within a specified number of days not to exceed 1, not counting any day on which the Senate is not in session) is not in order.

(5) POINTS OF ORDER.—

(A) It shall not be in order in the Senate or the House of Representatives to consider any rescission disapproval bill that relates to any matter other than the rescission budget authority transmitted by the President under this section.

(B) It shall not be in order in the Senate or the House of Representatives to consider any amendment to a recission disapproval bill.

(C) Subparagraphs (A) and (B) may be waived or suspended in the Senate only by a vote of three-fifths of the members duly chosen and sworn.