

AMENDMENT NO. _____ Calendar No. _____

Purpose: In the nature of a substitute.

IN THE SENATE OF THE UNITED STATES—116th Cong., 1st Sess.

H. R. 2486

To reauthorize mandatory funding programs for historically Black colleges and universities and other minority-serving institutions.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT IN THE NATURE OF A SUBSTITUTE intended
to be proposed by Mr. ALEXANDER

Viz:

1 Strike all after the enacting clause and insert the fol-
2 lowing:

3 **SECTION 1. SHORT TITLE; REFERENCES.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “Fostering Undergraduate Talent by Unlocking Resources
6 for Education Act” or the “**FUTURE Act**”.

7 (b) **REFERENCES.**—Except as otherwise expressly
8 provided, whenever in this Act an amendment or repeal
9 is expressed in terms of an amendment to, or repeal of,
10 a section or other provision, the reference shall be consid-

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

3 **SEC. 2. CONTINUED SUPPORT FOR MINORITY-SERVING IN-**
4 **STITUTIONS.**

5 Section 371(b)(1)(A) (20 U.S.C. 1067q(b)(1)(A)) is
6 amended by striking “for each of the fiscal years 2008
7 through 2019.” and all that follows through the end of
8 the subparagraph and inserting “for fiscal year 2020 and
9 each fiscal year thereafter.”.

10 **SEC. 3. SECURE DISCLOSURE OF TAX-RETURN INFORMA-**
11 **TION TO CARRY OUT THE HIGHER EDU-**
12 **CATION ACT OF 1965.**

13 (a) AMENDMENTS TO THE INTERNAL REVENUE
14 CODE OF 1986.—

15 (1) IN GENERAL.—Paragraph (13) of section
16 6103(l) of the Internal Revenue Code of 1986 is
17 amended to read as follows:

18 “(13) DISCLOSURE OF RETURN INFORMATION
19 TO CARRY OUT THE HIGHER EDUCATION ACT OF
20 1965.—

21 “(A) INCOME-CONTINGENT OR INCOME-
22 BASED REPAYMENT AND TOTAL AND PERMA-
23 NENT DISABILITY DISCHARGE.—The Secretary
24 shall, upon written request from the Secretary
25 of Education, disclose to officers, employees,

1 and contractors of the Department of Edu-
2 cation, as specifically authorized and designated
3 by the Secretary of Education, only for the pur-
4 pose of (and to the extent necessary in) estab-
5 lishing enrollment, renewing enrollment, admin-
6 istering, and conducting analyses and forecasts
7 for estimating costs related to income-conti-
8 gent or income-based repayment programs, and
9 the discharge of loans based on a total and per-
10 manent disability (within the meaning of sec-
11 tion 437(a) of the Higher Education Act of
12 1965), under title IV of the Higher Education
13 Act of 1965, the following return information
14 (as defined in subsection (b)(2)) with respect to
15 taxpayers identified by the Secretary of Edu-
16 cation as participating in the loan programs
17 under title IV of such Act, for taxable years
18 specified by such Secretary:

19 “(i) Taxpayer identity information
20 with respect to such taxpayer.

21 “(ii) The filing status of such tax-
22 payer.

23 “(iii) The adjusted gross income of
24 such taxpayer.

1 “(iv) Total number of exemptions
2 claimed, or total number of individuals and
3 dependents claimed, as applicable, on the
4 return.

5 “(v) Number of children with respect
6 to which tax credits under section 24 are
7 claimed on the return.

8 “(B) FEDERAL STUDENT FINANCIAL
9 AID.—The Secretary shall, upon written request
10 from the Secretary of Education, disclose to of-
11 ficers, employees, and contractors of the De-
12 partment of Education, as specifically author-
13 ized and designated by the Secretary of Edu-
14 cation, only for the purpose of (and to the ex-
15 tent necessary in) determining eligibility for,
16 and amount of, Federal student financial aid
17 under programs authorized by parts A, C, and
18 D of title IV of the Higher Education Act of
19 1965 (as in effect on the date of the enactment
20 of the Fostering Undergraduate Talent by
21 Unlocking Resources for Education Act) and
22 conducting analyses and forecasts for esti-
23 mating costs related to such programs, the fol-
24 lowing return information (as defined in sub-
25 section (b)(2)) with respect to taxpayers identi-

1 fied by the Secretary of Education as applicants
2 for Federal student financial aid under such
3 parts of title IV of such Act, for taxable years
4 specified by such Secretary:

5 “(i) Taxpayer identity information
6 with respect to such taxpayer.

7 “(ii) The filing status of such tax-
8 payer.

9 “(iii) The adjusted gross income of
10 such taxpayer.

11 “(iv) The amount of any net earnings
12 from self-employment (as defined in sec-
13 tion 1402), wages (as defined in section
14 3121(a) or 3401(a)), taxable income from
15 a farming business (as defined in section
16 236A(e)(4)), and investment income for
17 the period reported on the return.

18 “(v) The total income tax of such tax-
19 payer.

20 “(vi) Total number of exemptions
21 claimed, or total number of individuals and
22 dependents claimed, as applicable, on the
23 return.

1 “(vii) Number of children with respect
2 to which tax credits under section 24 are
3 claimed on the return.

4 “(viii) Amount of any credit claimed
5 under section 25A for the taxable year.

6 “(ix) Amount of individual retirement
7 account distributions not included in ad-
8 justed gross income for the taxable year.

9 “(x) Amount of individual retirement
10 account contributions and payments to
11 self-employed SEP, Keogh, and other
12 qualified plans which were deducted from
13 income for the taxable year.

14 “(xi) The amount of tax-exempt inter-
15 est.

16 “(xii) Amounts from retirement pen-
17 sions and annuities not included in ad-
18 justed gross income for the taxable year.

19 “(xiii) If applicable, the fact that any
20 of the following schedules (or equivalent
21 successor schedules) were filed with the re-
22 turn:

23 “(I) Schedule A.

24 “(II) Schedule B.

25 “(III) Schedule D.

1 “(IV) Schedule E.

2 “(V) Schedule F.

3 “(VI) Schedule H.

4 “(xiv) If applicable, the fact that
5 Schedule C (or an equivalent successor
6 schedule) was filed with the return showing
7 a gain or loss greater than \$10,000.

8 “(xv) If applicable, the fact that there
9 is no return filed for such taxpayer for the
10 applicable year.

11 “(C) RESTRICTION ON USE OF DISCLOSED
12 INFORMATION.—

13 “(i) IN GENERAL.—Return informa-
14 tion disclosed under subparagraphs (A)
15 and (B) may be used by officers, employ-
16 ees, and contractors of the Department of
17 Education, as specifically authorized and
18 designated by the Secretary of Education,
19 only for the purposes and to the extent
20 necessary described in such subparagraphs
21 and for mitigating risks (as defined in
22 clause (ii)) relating to the programs de-
23 scribed in such subparagraphs.

24 “(ii) MITIGATING RISKS.—For pur-
25 poses of this subparagraph, the term ‘miti-

1 gating risks’ means, with respect to the
2 programs described in subparagraphs (A)
3 and (B),

4 “(I) oversight activities by the
5 Office of Inspector General of the De-
6 partment of Education as authorized
7 by the Inspector General Act of 1978,
8 as amended, and

9 “(II) reducing the net cost of im-
10 proper payments to Federal financial
11 aid recipients.

12 Such term does not include the conduct of
13 criminal investigations or prosecutions.

14 “(iii) REDISCLOSURE TO INSTITU-
15 TIONS OF HIGHER EDUCATION, STATE
16 HIGHER EDUCATION AGENCIES, AND DES-
17 IGNATED SCHOLARSHIP ORGANIZATIONS.—

18 The Secretary of Education, and officers,
19 employees, and contractors of the Depart-
20 ment of Education, may disclose return in-
21 formation received under subparagraph
22 (B), solely for the use in the application,
23 award, and administration of student fi-
24 nancial aid or aid awarded by such entities

1 as the Secretary of Education may des-
2 ignate, to the following persons:

3 “(I) An institution of higher edu-
4 cation with which the Secretary of
5 Education has an agreement under
6 subpart 1 of part A, part C, or part
7 D of title IV of the Higher Education
8 Act of 1965.

9 “(II) A State higher education
10 agency.

11 “(III) A scholarship organization
12 which is designated by the Secretary
13 of Education as of the date of the en-
14 actment of the Fostering Under-
15 graduate Talent by Unlocking Re-
16 sources for Education Act as an orga-
17 nization eligible to receive the infor-
18 mation provided under this clause.

19 The preceding sentence shall only apply to
20 the extent that the taxpayer with respect
21 to whom the return information relates
22 provides consent for such disclosure to the
23 Secretary of Education as part of the ap-
24 plication for Federal student financial aid

1 under title IV of the Higher Education Act
2 of 1965.

3 “(D) REQUIREMENT OF NOTIFICATION OF
4 REQUEST FOR TAX RETURN INFORMATION.—
5 Subparagraphs (A) and (B) shall apply to any
6 disclosure of return information with respect to
7 a taxpayer only if the Secretary of Education
8 has provided to such taxpayer the notification
9 required by section 494 of the Higher Edu-
10 cation Act of 1965 prior to such disclosure.”.

11 (2) CONFIDENTIALITY OF RETURN INFORMA-
12 TION.—Section 6103(a)(3) of such Code is amended
13 by inserting “, (13)(A), (13)(B)” after “(12)”.

14 (3) CONFORMING AMENDMENTS.—Section
15 6103(p)(4) of such Code is amended—

16 (A) by inserting “(A), (13)(B)” after
17 “(13)” each place it occurs, and

18 (B) by inserting “, (13)(A), (13)(B)” after
19 “(l)(10)” each place it occurs.

20 (b) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to disclosures made under section
22 6103(l)(13) of the Internal Revenue Code of 1986 (as
23 amended by this section) after the date of the enactment
24 of this Act.

1 **SEC. 4. NOTIFICATION OF REQUEST FOR TAX RETURN IN-**
2 **FORMATION.**

3 (a) IN GENERAL.—Part G of title IV (20 U.S.C.
4 1088 et seq.) is amended by adding at the end the fol-
5 lowing:

6 **“SEC. 494. NOTIFICATION OF REQUEST FOR TAX RETURN**
7 **INFORMATION.**

8 “The Secretary shall advise students and borrowers
9 who submit an application for Federal student financial
10 aid under this title or for the discharge of a loan based
11 on permanent and total disability, as described in section
12 437(a), or who request an income-contingent or income-
13 based repayment plan on their loan (as well as parents
14 and spouses who sign such an application or request or
15 a Master Promissory Note on behalf of those students and
16 borrowers) that the Secretary has the authority to request
17 that the Internal Revenue Service disclose their tax return
18 information (as well as that of parents and spouses who
19 sign such an application or request or a Master Promis-
20 sory Note on behalf of those students and borrowers) to
21 officers, employees, and contractors of the Department of
22 Education as authorized under section 6103(1)(13) of the
23 Internal Revenue Code of 1986, to the extent necessary
24 for the Secretary to carry out this title.”.

25 (b) CONFORMING AMENDMENT.—Section 484(q) (20
26 U.S.C. 1091(q)) is amended to read as follows:

1 “(q) reserved”.

2 **SEC. 5. INCREASED FUNDING FOR FEDERAL PELL GRANTS.**

3 Section 401(a)(7)(A)(iv) (20 U.S.C.

4 1070a(a)(7)(A)(iv)) is amended—

5 (1) in subclause (X), by striking

6 “\$1,430,000,000” and inserting “\$1,455,000,000”;

7 and

8 (2) in subclause (XI), by striking

9 “\$1,145,000,000” and insert “\$1,170,000,000”.

10 **SEC. 6. REPORTS ON IMPLEMENTATION.**

11 (a) IN GENERAL.—Not later than each specified
12 date, the Secretary of Education and the Secretary of the
13 Treasury shall issue joint reports to the Committees on
14 Health, Education, Labor, and Pensions and Finance of
15 the Senate and the Committees on Education and Labor
16 and Ways and Means of the House of Representatives re-
17 garding the amendments made by this Act. Each such re-
18 port shall include, as applicable—

19 (1) an update on the status of implementation
20 of the amendments made by this Act,

21 (2) an evaluation of the processing of applica-
22 tions for Federal student financial aid, and applica-
23 tions for income-based repayment and income con-
24 tingent repayment, under title IV of the Higher
25 Education Act of 1965 (20 U.S.C. 1070 et seq.), in

1 accordance with the amendments made by this Act,
2 and

3 (3) implementation issues and suggestions for
4 potential improvements.

5 (b) SPECIFIED DATE.—For purposes of subsection
6 (a), the term “specified date” means—

7 (1) the date that is 90 days after the date of
8 the enactment of this Act,

9 (2) the date that is 120 days after the first day
10 that the disclosure process established under section
11 6103(l)(13) of the Internal Revenue Code of 1986,
12 as amended by section 3(a) of this Act, is oper-
13 ational and accessible to officers, employees, and
14 contractors of the Department of Education (as spe-
15 cifically authorized and designated by the Secretary
16 of Education), and

17 (3) the date that is 1 year after the report date
18 described in paragraph (2).