

116TH CONGRESS
1ST SESSION

S. 2557

To amend the Higher Education Act of 1965 to improve the financial aid process for students, to provide continued support for minority-serving institutions, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 26, 2019

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

A BILL

To amend the Higher Education Act of 1965 to improve the financial aid process for students, to provide continued support for minority-serving institutions, and for other purposes.

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

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

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “Student Aid Improvement Act of 2019”.

6 (b) **REFERENCES.**—Except as otherwise expressly
7 provided, whenever in this Act an amendment or repeal
8 is expressed in terms of an amendment to, or repeal of,

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

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

6 Sec. 371(b)(1)(A) (20 U.S.C. 1067q(b)(1)(A)) is
 7 amended by striking “for each of the fiscal years 2008
 8 through 2019.” and all that follows, and inserting the fol-
 9 lowing: “for fiscal year 2020 and each fiscal year there-
 10 after.”.

11 **SEC. 3. MAKING IT EASIER TO APPLY FOR FEDERAL AID**
 12 **AND MAKING THAT AID PREDICTABLE.**

13 (a) NEED ANALYSIS.—

14 (1) IN GENERAL.—Section 471 (20 U.S.C.
 15 1087kk) is amended to read as follows:

16 **“SEC. 471. AMOUNT OF NEED.**

17 “(a) IN GENERAL.—Except as otherwise provided
 18 therein, beginning with award year 2021–2022, the
 19 amount of need of any student for financial assistance
 20 under this title (except subpart 1 or 2 of part A) is equal
 21 to—

22 “(1) the cost of attendance of such student;
 23 minus

24 “(2) the student aid index (as defined in section
 25 473) for such student; minus

1 “(3) other financial assistance not received
2 under this title (as defined in section 480(j)).

3 “(b) EFFECTIVE DATE OF CHANGES.—The amend-
4 ments made to this title under the Student Aid Improve-
5 ment Act of 2019 shall take effect beginning with award
6 year 2021–2022. The amounts provided under such
7 amendments for award year 2020–2021 shall be used sole-
8 ly as a base to determine adjustments for subsequent
9 award years.”.

10 (2) MAXIMUM AID UNDER PART D.—Section
11 451 (20 U.S.C. 1087a) is amended by adding at the
12 end the following:

13 “(c) MAXIMUM AID.—The maximum dollar amount
14 of financial assistance provided under this part to a stu-
15 dent shall not exceed the cost of attendance for such stu-
16 dent.”.

17 (b) STUDENT AID INDEX.—Section 473 (20 U.S.C.
18 1087mm) is amended to read as follows:

19 **“SEC. 473. STUDENT AID INDEX.**

20 “(a) IN GENERAL.—For the purpose of this title,
21 other than subpart 1 or 2 of part A, the term ‘student
22 aid index’ means, with respect to a student, an index that
23 reflects an evaluation of a student’s approximate financial
24 resources to contribute toward the student’s postsecondary

1 education for the academic year, as determined in accord-
2 ance with this part.

3 “(b) SPECIAL RULE FOR STUDENTS ELIGIBLE FOR
4 THE TOTAL MAXIMUM PELL GRANT.—The Secretary
5 shall consider an applicant to automatically have a student
6 aid index equal to zero if the applicant is eligible for the
7 total maximum Federal Pell Grant under subpart 1 of
8 part A, except if the applicant has a calculated student
9 aid index of less than zero the Secretary shall consider
10 the negative number as the student aid index for the appli-
11 cant.

12 “(c) SPECIAL RULE FOR NONFILERS.—For an appli-
13 cant (or, as applicable, an applicant and spouse, or an ap-
14 plicant’s parents) not required filed a Federal tax return
15 for the applicable tax year, the Secretary shall for the pur-
16 poses of this title consider the student aid index as equal
17 to $-\$1,500$ for the applicant.

18 “(d) SPECIAL RULE FOR RECIPIENTS OF MEANS-
19 TESTED BENEFITS.—For an applicant (including the stu-
20 dent, the student’s parent, or the student’s spouse, as ap-
21 plicable) who at any time during the previous 24-month
22 period was a recipient of a means-tested Federal benefit
23 program, the Secretary shall consider an applicant to
24 automatically have a student aid index equal to zero, ex-
25 cept if the applicant has a calculated student aid index

1 of less than zero the Secretary shall consider the negative
2 number as the student aid index for the applicant.

3 “(e) MEANS-TESTED FEDERAL BENEFIT PRO-
4 GRAM.—In this section, the term ‘means-tested Federal
5 benefit program’ means any of the following:

6 “(1) The supplemental security income program
7 under title XVI of the Social Security Act (42
8 U.S.C. 1381 et seq.).

9 “(2) The supplemental nutrition assistance pro-
10 gram under the Food and Nutrition Act of 2008 (7
11 U.S.C. 2011 et seq.).

12 “(3) The program of block grants for States for
13 temporary assistance for needy families established
14 under part A of title IV of the Social Security Act
15 (42 U.S.C. 601 et seq.).

16 “(4) The special supplemental nutrition pro-
17 gram for women, infants, and children established
18 by section 17 of the Child Nutrition Act of 1966 (42
19 U.S.C. 1786).

20 “(5) The Medicaid program under title XIX of
21 the Social Security Act (42 U.S.C. 1396 et seq.).”.

22 (c) DETERMINATION OF STUDENT AID INDEX.—Sec-
23 tion 474 (20 U.S.C. 1087nn) is amended to read as fol-
24 lows:

1 **“SEC. 474. DETERMINATION OF STUDENT AID INDEX.**

2 “The student aid index—

3 “(1) for a dependent student shall be deter-
4 mined in accordance with section 475;

5 “(2) for a single independent student or a mar-
6 ried independent student without dependents (other
7 than a spouse) shall be determined in accordance
8 with section 476; and

9 “(3) for an independent student with depend-
10 ents other than a spouse shall be determined in ac-
11 cordance with section 477.”.

12 (d) **STUDENT AID INDEX FOR DEPENDENT STU-**
13 **DENTS.**—Section 475 (20 U.S.C. 108700) is amended to
14 read as follows:

15 **“SEC. 475. STUDENT AID INDEX FOR DEPENDENT STU-**
16 **DENTS.**

17 “(a) **COMPUTATION OF STUDENT AID INDEX.**—

18 “(1) **IN GENERAL.**—For each dependent stu-
19 dent, the student aid index is equal to (except as
20 provided in paragraph (2)) the sum of—

21 “(A) the assessment of the parents’ ad-
22 justed available income (determined in accord-
23 ance with subsection (b));

24 “(B) the assessment of the student’s avail-
25 able income (determined in accordance with
26 subsection (g)); and

1 “(C) the student’s available assets (deter-
2 mined in accordance with subsection (h)).

3 “(2) EXCEPTION.—If the sum of paragraphs
4 (1), (2), and (3) with respect to a dependent student
5 is less than $-\$1,500$, the student aid index for the
6 dependent student shall be $-\$1,500$.

7 “(b) ASSESSMENT OF PARENTS’ ADJUSTED AVAIL-
8 ABLE INCOME.—The assessment of parents’ adjusted
9 available income is equal to the amount determined by—

10 “(1) computing adjusted available income by
11 adding—

12 “(A) the parents’ available income (deter-
13 mined in accordance with subsection (c)); and

14 “(B) the parents’ available assets (deter-
15 mined in accordance with subsection (d));

16 “(2) assessing such adjusted available income in
17 accordance with the assessment schedule set forth in
18 subsection (e); and

19 “(3) considering such assessment resulting
20 under paragraph (2) as the amount determined
21 under this subsection.

22 “(c) PARENTS’ AVAILABLE INCOME.—

23 “(1) IN GENERAL.—The parents’ available in-
24 come is determined by subtracting from total income
25 (as defined in section 480)—

1 “(A) Federal income taxes;

2 “(B) an allowance for payroll taxes, deter-
3 mined in accordance with paragraph (2);

4 “(C) an income protection allowance, de-
5 termined in accordance with paragraph (3); and

6 “(D) an employment expense allowance,
7 determined in accordance with paragraph (4).

8 “(2) ALLOWANCE FOR PAYROLL TAXES.—The
9 allowance for payroll taxes is equal to the sum of—

10 “(A) the total amount earned by the par-
11 ents, multiplied by the rate of tax under section
12 3101(b) of the Internal Revenue Code of 1986;
13 and

14 “(B) the amount earned by the parents
15 that does not exceed such contribution and ben-
16 efit base (twice such contribution and benefit
17 base, in the case of a joint return) for the year
18 of the earnings, multiplied by the rate of tax
19 applicable to such earnings under section
20 3101(a) of such Code.

21 “(3) INCOME PROTECTION ALLOWANCE.—The
22 income protection allowance for award year 2020–
23 2021 and each succeeding award year shall equal
24 the amount determined in the following table, as ad-
25 justed by the Secretary pursuant to section 478(b):

“Income Protection Allowance 2020–2021 (to be adjusted for 2021–2022 and succeeding years)

Family Size (including student)	Amount
2	\$19,080
3	\$23,760
4	\$29,340
5	\$34,620
6	\$40,490
For each additional add	\$4,750.

1 “(4) EMPLOYMENT EXPENSE ALLOWANCE.—

2 The employment expense allowance is equal to the
 3 lesser of \$4,000 or 35 percent of the single parent’s
 4 earned income or married parents’ combined earned
 5 income (or is equal to a successor amount as ad-
 6 justed by the Secretary pursuant to section 478(g)).

7 “(d) PARENTS’ AVAILABLE ASSETS.—

8 “(1) IN GENERAL.—

9 “(A) DETERMINATION.—Except as pro-
 10 vided in subparagraph (B), the parents’ avail-
 11 able assets are equal to—

12 “(i) the difference between the par-
 13 ents’ net assets and the education savings
 14 and asset protection allowance (determined
 15 in accordance with paragraph (2)); multi-
 16 plied by

17 “(ii) 12 percent.

18 “(B) NOT LESS THAN ZERO.—Parents’
 19 available assets under this subsection shall not
 20 be less than zero.

1 “(2) EDUCATION SAVINGS AND ASSET PROTEC-
 2 TION ALLOWANCE.—The education savings and asset
 3 protection allowance is calculated according to the
 4 following table (or a successor table prescribed by
 5 the Secretary under section 478(d)):

“Education Savings and Asset Protection Allowances for Parents
 of Dependent Students

If the age of the oldest parent is—	And there are	
	two parents	one parent
	then the allowance is—	
25 or less	\$0	\$0
26	\$300	\$100
27	\$700	\$200
28	\$1,000	\$300
29	\$1,300	\$500
30	\$1,600	\$600
31	\$2,000	\$700
32	\$2,300	\$800
33	\$2,600	\$900
34	\$2,900	\$1,000
35	\$3,300	\$1,100
36	\$3,600	\$1,200
37	\$3,900	\$1,300
38	\$4,200	\$1,500
39	\$4,600	\$1,600
40	\$4,900	\$1,700
41	\$5,100	\$1,700
42	\$5,200	\$1,700
43	\$5,300	\$1,800
44	\$5,400	\$1,800
45	\$5,500	\$1,900
46	\$5,700	\$1,900
47	\$5,800	\$1,900
48	\$6,000	\$2,000
49	\$6,100	\$2,000
50	\$6,300	\$2,100
51	\$6,400	\$2,100
52	\$6,600	\$2,200
53	\$6,800	\$2,200
54	\$6,900	\$2,300
55	\$7,100	\$2,300
56	\$7,300	\$2,400
57	\$7,500	\$2,500
58	\$7,700	\$2,500
59	\$7,900	\$2,600
60	\$8,200	\$2,700

“Education Savings and Asset Protection Allowances for Parents of Dependent Students—Continued

If the age of the oldest parent is—	And there are	
	two parents then the allowance is—	one parent
61	\$8,400	\$2,700
62	\$8,600	\$2,800
63	\$8,900	\$2,900
64	\$9,200	\$2,900
65 or more	\$9,400	\$3,000.

1 “(e) ASSESSMENT SCHEDULE.—The assessment of
 2 the parents’ adjusted available income (as determined
 3 under subsection (b)(1) and hereafter in this subsection
 4 referred to as ‘AAI’) is calculated according to the fol-
 5 lowing table (or a successor table prescribed by the Sec-
 6 retary under section 478(e)):

“Parents’ Contribution From AAI

If the parents’ AAI is—	Then the parents’ contribution from AAI is—
Less than -\$6,820	-\$1,500
-\$6,820 to \$17,000	22% of AAI
\$17,001 to \$21,400	\$3,740 + 25% of AAI over \$17,000
\$21,401 to \$25,700	\$4,840 + 29% of AAI over \$21,400
\$25,701 to \$30,100	\$6,087 + 34% of AAI over \$25,700
\$30,101 to \$34,500	\$7,583 + 40% of AAI over \$30,100
\$34,501 or more	\$9,343 + 47% of AAI over \$34,500.

7 “(f) CONSIDERATION OF PARENTAL INCOME.—

8 “(1) MARRIED PARENTS.—Parental income and
 9 assets in the case of student whose parents are mar-
 10 ried and not separated shall include the income and
 11 assets of both parents.

12 “(2) DIVORCED OR SEPARATED PARENTS.—Pa-
 13 rental income and assets for a student whose par-

1 ents are divorced or separated, but not remarried, is
2 determined:

3 “(A) By including only the income and as-
4 sets of the parent with whom the student re-
5 sided for the greater portion of the 12-month
6 period preceding the date of the application.

7 “(B) If the preceding criterion does not
8 apply, include only the income and assets of the
9 parent who provided the greater portion of the
10 student’s support for the 12-month period pre-
11 ceding the date of application.

12 “(C) If neither of the preceding criteria
13 apply, include only the income and assets of the
14 parent who provided the greater support during
15 the most recent calendar year for which paren-
16 tal support was provided.

17 “(3) DEATH OF A PARENT.—Parental income
18 and assets in the case of the death of any parent is
19 determined as follows:

20 “(A) If either of the parents has died, the
21 surviving parent shall be considered a single
22 parent, until that parent has remarried.

23 “(B) If both parents have died, the student
24 shall not report any parental income or assets.

1 “(4) REMARRIED PARENTS.—If a parent whose
2 income and assets are taken into account under
3 paragraph (2), or if a parent who is a widow or wid-
4 ower and whose income is taken into account under
5 paragraph (3), has remarried, the income of that
6 parent’s spouse shall be included in determining the
7 parent’s assessment of adjusted available income if
8 the student’s parent and the stepparent are married
9 as of the date of application for the award year con-
10 cerned.

11 “(5) SINGLE PARENT WHO IS NOT DIVORCED
12 OR SEPARATED.—Parental income and assets in the
13 case of a student whose parent is a single parent but
14 who is not divorced, separated, or remarried, shall
15 include the income and assets of such single parent.

16 “(g) STUDENT’S AVAILABLE INCOME.—

17 “(1) IN GENERAL.—The student’s available in-
18 come is equal to—

19 “(A) the difference between the student’s
20 total income (determined in accordance with
21 section 480) and the adjustment to student in-
22 come (determined in accordance with paragraph
23 (2)); multiplied by

24 “(B) 50 percent.

1 “(2) ADJUSTMENT TO STUDENT INCOME.—The
2 adjustment to student income is equal to the sum
3 of—

4 “(A) the Federal income taxes of the stu-
5 dent;

6 “(B) an allowance for payroll taxes deter-
7 mined in accordance with paragraph (3);

8 “(C) an income protection allowance that
9 is equal to—

10 “(i) \$9,110 for award year 2020–
11 2021; and

12 “(ii) for each succeeding award year,
13 the amount adjusted pursuant to section
14 478(b); and

15 “(D) an allowance for parents’ negative
16 available income, determined in accordance with
17 paragraph (4).

18 “(3) ALLOWANCE FOR PAYROLL TAXES.—The
19 allowance for payroll taxes is equal to the sum of—

20 “(A) the total amount earned by the stu-
21 dent, multiplied by the rate of tax under section
22 3101(b) of the Internal Revenue Code of 1986;
23 and

24 “(B) the amount earned by the student
25 that does not exceed such contribution and ben-

1 “(1) IN GENERAL.—For each independent stu-
2 dent without dependents other than a spouse, the
3 student aid index is equal to (except as provided in
4 paragraph (2)) the sum of—

5 “(A) the family’s available income (deter-
6 mined in accordance with subsection (b)); and

7 “(B) the family’s available assets (deter-
8 mined in accordance with subsection (c)).

9 “(2) EXCEPTION.—If the sum of paragraphs
10 (1) and (2) with respect to a independent student
11 without dependents other than a spouse is less than
12 –\$1,500, the student aid index for the independent
13 student shall be –\$1,500.

14 “(b) FAMILY’S AVAILABLE INCOME.—

15 “(1) IN GENERAL.—The family’s available in-
16 come is determined by—

17 “(A) deducting from total income (as de-
18 fined in section 480)—

19 “(i) Federal income taxes;

20 “(ii) an allowance for payroll taxes,
21 determined in accordance with paragraph
22 (2);

23 “(iii) an income protection allowance
24 that is equal to—

1 “(I) in the case of a single inde-
2 pendent student without dependents—

3 “(aa) \$14,190 for award
4 year 2020–2021; and

5 “(bb) for each succeeding
6 award year, the amount adjusted
7 pursuant to section 478(b); and

8 “(II) in the case of a married
9 independent student without depend-
10 ents—

11 “(aa) \$22,750 for award
12 year 2020–2021; and

13 “(bb) for each succeeding
14 award year, the amount adjusted
15 pursuant to section 478(b); and

16 “(iv) in the case of a married inde-
17 pendent student, an employment expense
18 allowance, as determined in accordance
19 with paragraph (3); and

20 “(B) multiplying the amount determined
21 under subparagraph (A) by 50 percent.

22 “(2) ALLOWANCE FOR PAYROLL TAXES.—The
23 allowance for payroll taxes is equal to the sum of—

24 “(A) the total amount earned by the stu-
25 dent (and spouse, if appropriate), multiplied by

1 the rate of tax under section 3101(b) of the In-
2 ternal Revenue Code of 1986; and

3 “(B) the amount earned by the student
4 (and spouse, if appropriate) that does not ex-
5 ceed such contribution and benefit base (twice
6 such contribution and benefit base, in the case
7 of a joint return) for the year of the earnings,
8 multiplied by the rate of tax applicable to such
9 earnings under section 3101(a) of such Code.

10 “(3) EMPLOYMENT EXPENSES ALLOWANCE.—

11 The employment expense allowance is equal to the
12 following:

13 “(A) If the student is married, such allow-
14 ance is equal to the lesser of \$4,000 or 35 per-
15 cent of the couple’s combined earned income (or
16 is equal to a successor amount as adjusted by
17 the Secretary pursuant to section 478(g)).

18 “(B) If the student is not married, the em-
19 ployment expense allowance is zero.

20 “(c) FAMILY’S AVAILABLE ASSETS.—

21 “(1) IN GENERAL.—

22 “(A) DETERMINATION.—Except as pro-
23 vided in subparagraph (B), the family’s avail-
24 able assets are equal to—

1 “(i) the difference between the fam-
 2 ily’s assets (as defined in section 480(f))
 3 and the asset protection allowance (deter-
 4 mined in accordance with paragraph (2));
 5 multiplied by

6 “(ii) 20 percent.

7 “(B) NOT LESS THAN ZERO.—Family’s
 8 available assets under this subsection shall not
 9 be less than zero.

10 “(2) ASSET PROTECTION ALLOWANCE.—The
 11 asset protection allowance is calculated according to
 12 the following table (or a successor table prescribed
 13 by the Secretary under section 478(d)):

“Asset Protection Allowances for Families and Students

If the age of the student is—	And the student is	
	married	single
	then the allowance is—	
25 or less	\$0	\$0
26	\$300	\$100
27	\$700	\$200
28	\$1,000	\$300
29	\$1,300	\$500
30	\$1,600	\$600
31	\$2,000	\$700
32	\$2,300	\$800
33	\$2,600	\$900
34	\$2,900	\$1,000
35	\$3,300	\$1,100
36	\$3,600	\$1,200
37	\$3,900	\$1,400
38	\$4,200	\$1,500
39	\$4,600	\$1,600
40	\$4,900	\$1,700
41	\$5,100	\$1,700
42	\$5,200	\$1,700
43	\$5,300	\$1,800
44	\$5,400	\$1,800

“Asset Protection Allowances for Families and Students—
Continued

If the age of the student is—	And the student is	
	married	single
	then the allowance is—	
45	\$5,500	\$1,900
46	\$5,700	\$1,900
47	\$5,800	\$1,900
48	\$6,000	\$2,000
49	\$6,100	\$2,000
50	\$6,300	\$2,100
51	\$6,400	\$2,100
52	\$6,600	\$2,200
53	\$6,800	\$2,200
54	\$6,900	\$2,300
55	\$7,100	\$2,300
56	\$7,300	\$2,400
57	\$7,500	\$2,500
58	\$7,700	\$2,500
59	\$7,900	\$2,600
60	\$8,200	\$2,700
61	\$8,400	\$2,700
62	\$8,600	\$2,800
63	\$8,900	\$2,900
64	\$9,200	\$2,900
65 or more	\$9,400	\$3,000.

1 “(d) COMPUTATIONS IN CASE OF SEPARATION, DI-
2 VORCE, OR DEATH.—In the case of a student who is di-
3 vorced or separated, or whose spouse has died, the
4 spouse’s income and assets shall not be considered in de-
5 termining the family’s available income or assets.”.

6 (f) STUDENT AID INDEX FOR INDEPENDENT STU-
7 DENTS WITH DEPENDENTS OTHER THAN A SPOUSE.—
8 Section 477 (20 U.S.C. 1087qq) is amended to read as
9 follows:

1 **“SEC. 477. STUDENT AID INDEX FOR INDEPENDENT STU-**
2 **DENTS WITH DEPENDENTS OTHER THAN A**
3 **SPOUSE.**

4 “(a) COMPUTATION OF STUDENT AID INDEX.—For
5 each independent student with dependents other than a
6 spouse, the student aid index is equal to the amount deter-
7 mined by—

8 “(1) computing adjusted available income by
9 adding—

10 “(A) the family’s available income (deter-
11 mined in accordance with subsection (b)); and

12 “(B) the family’s available assets (deter-
13 mined in accordance with subsection (c));

14 “(2) assessing such adjusted available income in
15 accordance with an assessment schedule set forth in
16 subsection (d); and

17 “(3) considering such assessment resulting
18 under paragraph (2) as the amount determined
19 under this subsection.

20 “(b) FAMILY’S AVAILABLE INCOME.—

21 “(1) IN GENERAL.—The family’s available in-
22 come is determined by deducting from total income
23 (as defined in section 480)—

24 “(A) Federal income taxes;

25 “(B) an allowance for payroll taxes, deter-
26 mined in accordance with paragraph (2);

1 “(C) an income protection allowance, de-
2 termined in accordance with paragraph (3); and

3 “(D) an employment expense allowance,
4 determined in accordance with paragraph (4).

5 “(2) ALLOWANCE FOR PAYROLL TAXES.—The
6 allowance for payroll taxes is equal to the sum of—

7 “(A) the amount earned by the student
8 (and spouse, if appropriate), multiplied by the
9 rate of tax under section 3101(b) of the Inter-
10 nal Revenue Code of 1986; and

11 “(B) the amount earned by the student
12 (and spouse, if appropriate) that does not ex-
13 ceed such contribution and benefit base (twice
14 such contribution and benefit base, in the case
15 of a joint return) for the year of the earnings,
16 multiplied by the rate of tax applicable to such
17 earnings under section 3101(a) of such Code.

18 “(3) INCOME PROTECTION ALLOWANCE.—The
19 income protection allowance for award year 2020–
20 2021 and each succeeding award year shall equal
21 the amount determined in the following table, as ad-
22 justed by the Secretary pursuant to section 478(b):

23 “(A) In the case of a married independent
24 student with dependents:

“Income Protection Allowance 2020–2021 (to be adjusted for 2021–2022 and succeeding years)

Family Size (including student)	Amount
3	\$44,470
4	\$55,260
5	\$65,190
6	\$76,230
For each additional add	\$8,610.

1 “(B) In the case of a single independent
2 student with dependents:

“Income Protection Allowance 2020–2021 (to be adjusted for 2021–2022 and succeeding years)

Family Size (including student)	Amount
2	\$43,128
3	\$54,364
4	\$66,312
5	\$78,228
6	\$91,476
For each additional add	\$10,332.

3 “(4) EMPLOYMENT EXPENSE ALLOWANCE.—
4 The employment expense allowance is equal to the
5 lesser of \$4,000 or 35 percent of the student’s
6 earned income or the combined earned income of the
7 student and the student’s spouse (or is equal to a
8 successor amount as adjusted by the Secretary
9 under section 478(g)).

10 “(c) FAMILY’S AVAILABLE ASSETS.—

11 “(1) IN GENERAL.—

12 “(A) DETERMINATION.—Except as pro-
13 vided in subparagraph (B), the family’s avail-
14 able assets are equal to—

1 “(i) the difference between the fam-
 2 ily’s assets (as defined in 480(f)) and the
 3 asset protection allowance (determined in
 4 accordance with paragraph (2)); multiplied
 5 by

6 “(ii) 7 percent.

7 “(B) NOT LESS THAN ZERO.—Family’s
 8 available assets under this subsection shall not
 9 be less than zero.

10 “(2) ASSET PROTECTION ALLOWANCE.—The
 11 asset protection allowance is calculated according to
 12 the following table (or a successor table prescribed
 13 by the Secretary under section 478(d)):

“Asset Protection Allowances for Families and Students

If the age of the student is—	And the student is	
	married	single
	then the allowance is—	
25 or less	\$0	\$0
26	\$300	\$100
27	\$700	\$200
28	\$1,000	\$300
29	\$1,300	\$500
30	\$1,600	\$600
31	\$2,000	\$700
32	\$2,300	\$800
33	\$2,600	\$900
34	\$2,900	\$1,000
35	\$3,300	\$1,100
36	\$3,600	\$1,200
37	\$3,900	\$1,400
38	\$4,200	\$1,500
39	\$4,600	\$1,600
40	\$4,900	\$1,700
41	\$5,100	\$1,700
42	\$5,200	\$1,700
43	\$5,300	\$1,800
44	\$5,400	\$1,800

“Asset Protection Allowances for Families and Students—
Continued

If the age of the student is—	And the student is	
	married	single
	then the allowance is—	
45	\$5,500	\$1,900
46	\$5,700	\$1,900
47	\$5,800	\$1,900
48	\$6,000	\$2,000
49	\$6,100	\$2,000
50	\$6,300	\$2,100
51	\$6,400	\$2,100
52	\$6,600	\$2,200
53	\$6,800	\$2,200
54	\$6,900	\$2,300
55	\$7,100	\$2,300
56	\$7,300	\$2,400
57	\$7,500	\$2,500
58	\$7,700	\$2,500
59	\$7,900	\$2,600
60	\$8,200	\$2,700
61	\$8,400	\$2,700
62	\$8,600	\$2,800
63	\$8,900	\$2,900
64	\$9,200	\$2,900
65 or more	\$9,400	\$3,000.

1 “(d) ASSESSMENT SCHEDULE.—The assessment of
2 adjusted available income (as determined under subsection
3 (a)(1) and hereafter in this subsection referred to as
4 ‘AAI’) is calculated according to the following table (or
5 a successor table prescribed by the Secretary pursuant to
6 section 478(e)):

“Assessment From Adjusted Available Income

If AAI is—	Then the assessment is—
Less than -\$6,820	-\$1,500
\$-6,820 to \$17,000	22% of AAI
\$17,001 to \$21,400	\$3,740 + 25% of AAI over \$17,000
\$21,401 to \$25,700	\$4,840 + 29% of AAI over \$21,400
\$25,701 to \$30,100	\$6,087 + 34% of AAI over \$25,700
\$30,101 to \$34,500	\$7,583 + 40% of AAI over \$30,100
\$34,501 or more	\$9,343 + 47% of AAI over \$34,500.

1 “(e) COMPUTATIONS IN CASE OF SEPARATION, DI-
 2 VORCE, OR DEATH.—In the case of a student who is di-
 3 vorced or separated, or whose spouse has died, the
 4 spouse’s income and assets shall not be considered in de-
 5 termining the family’s available income or assets.”.

6 (g) REGULATIONS; UPDATED TABLES.—Section 478
 7 (20 U.S.C. 1087rr) is amended to read as follows:

8 **“SEC. 478. REGULATIONS; UPDATED TABLES.**

9 “(a) AUTHORITY TO PRESCRIBE REGULATIONS RE-
 10 STRICTED.—

11 “(1) IN GENERAL.—Notwithstanding any other
 12 provision of law, the Secretary shall not have the au-
 13 thority to prescribe regulations to carry out this part
 14 except—

15 “(A) to prescribe updated tables in accord-
 16 ance with subsections (b) through (g);

17 “(B) to propose modifications in the need
 18 analysis methodology required by this part; or

19 “(C) with respect to the definition of cost
 20 of attendance under section 472.

21 “(2) NOTIFICATION AND APPROVAL.—Any reg-
 22 ulation proposed by the Secretary that updates ta-
 23 bles in a manner that does not comply with sub-
 24 sections (b) through (g), or that proposes modifica-
 25 tions under paragraph (1)(B), shall not be effective

1 unless subject to notification and approval by the
 2 authorizing committees not less than 90 days before
 3 such regulation is published in the Federal Register
 4 in accordance with section 482.

5 “(b) INCOME PROTECTION ALLOWANCE ADJUST-
 6 MENTS.—For award year 2021–2022 and each succeeding
 7 award year, the Secretary shall publish in the Federal
 8 Register revised income protection allowances for the pur-
 9 poses of subsections (c)(3) and (g)(2)(C) of section 475,
 10 subclauses (I) and (II) of section 476(b)(1)(A)(iii), and
 11 section 477(b)(3), by increasing the income protection al-
 12 lowances in each of such provisions, by a percentage equal
 13 to the percentage increase in the Consumer Price Index,
 14 as defined in subsection (f), between April 2019 and the
 15 April prior to the beginning of the award year and round-
 16 ing the result to the nearest \$10.

17 “(c) ADJUSTED NET WORTH OF A FARM OR BUSI-
 18 NESS.—

19 “(1) TABLE.—The table of the net worth of a
 20 business or farm (hereafter in this subsection re-
 21 ferred to as ‘NW’) for purposes of making deter-
 22 minations of assets as defined under section 480(f)
 23 for award year 2020–2021 is the following:

“Business/Farm Net Worth Adjustment

If the net worth of a business or farm is—	Then the adjusted net worth is—
Less than \$1	\$0
\$1 to \$135,000	40% of net worth of business/farm
\$135,001 to \$410,000	\$54,000 + 50% of net worth over \$135,000

“Business/Farm Net Worth Adjustment—Continued

If the net worth of a business or farm is—	Then the adjusted net worth is—
\$410,001 to \$680,000	\$191,500 + 60% of net worth over \$410,000
\$680,001 or more	\$353,500 + 100% of net worth over \$680,000.

1 “(2) REVISED TABLES.—For each award year
 2 after award year 2020–2021, the Secretary shall
 3 publish in the Federal Register a revised table of ad-
 4 justed net worth of a farm or business for purposes
 5 of section 480(f). Such revised table shall be devel-
 6 oped—

7 “(A) by increasing each dollar amount that
 8 refers to net worth of a farm or business by a
 9 percentage equal to the percentage increase in
 10 the Consumer Price Index between April 2019
 11 and the April prior to the beginning of such
 12 award year, and rounding the result to the
 13 nearest \$5,000; and

14 “(B) by adjusting the dollar amounts in
 15 the column referring the adjusted net worth to
 16 reflect the changes made pursuant to subpara-
 17 graph (A).

18 “(d) EDUCATION SAVINGS AND ASSET PROTECTION
 19 ALLOWANCE.—For each award year after award year
 20 2020–2021, the Secretary shall publish in the Federal
 21 Register a revised table of allowances for the purpose of
 22 sections 475(d)(2), 476(e)(2), and 477(c)(2). Such revised
 23 table shall be developed by determining the present value

1 cost, rounded to the nearest \$100, of an annuity that
2 would provide, for each age cohort of 40 and above, a sup-
3 plemental income at age 65 (adjusted for inflation) equal
4 to the difference between the moderate family income (as
5 most recently determined by the Bureau of Labor Statis-
6 tics), and the current average social security retirement
7 benefits. For each age cohort below 40, the allowance shall
8 be computed by decreasing the allowance for age 40, as
9 updated, by one-fifteenth for each year of age below age
10 40 and rounding the result to the nearest \$100. In making
11 such determinations—

12 “(1) inflation shall be presumed to be 6 percent
13 per year;

14 “(2) the rate of return of an annuity shall be
15 presumed to be 8 percent; and

16 “(3) the sales commission on an annuity shall
17 be presumed to be 6 percent.

18 “(e) ASSESSMENT SCHEDULES AND RATES.—For
19 each award year after award year 2020–2021, the Sec-
20 retary shall publish in the Federal Register a revised table
21 of assessments from adjusted available income for the pur-
22 pose of sections 475(e) and 477(d). Such revised table
23 shall be developed—

24 “(1) by increasing each dollar amount that re-
25 fers to adjusted available income by a percentage

1 equal to the percentage increase in the Consumer
2 Price Index between April 2019 and the April prior
3 to the beginning of such academic year, rounded to
4 the nearest \$100; and

5 “(2) by adjusting the other dollar amounts to
6 reflect the changes made pursuant to paragraph (1).

7 “(f) CONSUMER PRICE INDEX DEFINED.—In this
8 section, the term ‘Consumer Price Index’ means the Con-
9 sumer Price Index for All Urban Consumers published by
10 the Department of Labor. Each annual update of tables
11 to reflect changes in the Consumer Price Index shall be
12 corrected for misestimation of actual changes in such
13 Index in previous years.

14 “(g) EMPLOYMENT EXPENSE ALLOWANCE.—For
15 each award year after award year 2020–2021, the Sec-
16 retary shall publish in the Federal Register a revised table
17 of employment expense allowances for the purpose of sec-
18 tions 475(c)(4), 476(b)(3), and 477(b)(4). Such revised
19 table shall be developed by increasing the dollar amount
20 specified in sections 475(c)(4), 476(b)(3), and 477(b)(4)
21 to reflect the inflationary adjustment that is used for the
22 income protection allowances in subsection (b).”.

23 (h) APPLICANTS EXEMPT FROM ASSET REPORT-
24 ING.—Section 479 (20 U.S.C. 1087ss) is amended to read
25 as follows:

1 **“SEC. 479. APPLICANTS EXEMPT FROM ASSET REPORTING.**

2 “(a) IN GENERAL.—Notwithstanding any other pro-
3 vision of law, this section shall be effective for each indi-
4 vidual seeking to apply for Federal financial aid under this
5 title, as part of the simplified application for Federal stu-
6 dent financial aid under section 483.

7 “(b) APPLICANTS EXEMPT FROM ASSET REPORT-
8 ING.—

9 “(1) IN GENERAL.—Except as provided in para-
10 graph (3), in carrying out section 483, the Secretary
11 shall not use asset information from an eligible ap-
12 plicant or, as applicable, the parent or spouse of an
13 eligible applicant.

14 “(2) ELIGIBLE APPLICANTS.—In this sub-
15 section, the term ‘eligible applicant’ means an appli-
16 cant who meets at least one of the following criteria:

17 “(A) Is an applicant who qualifies for an
18 automatic zero student aid index or automatic
19 negative student aid index under subsection (b),
20 (c) or (d) of section 473.

21 “(B) Is an applicant who is a dependent
22 student and the student’s parents have a total
23 adjusted gross income (excluding any income of
24 the dependent student) that is less than
25 \$75,000 and do not file a Schedule A, B, D, E,
26 F, or H (or equivalent successor schedules),

1 with the Federal income tax return for the sec-
2 ond preceding tax year, and—

3 “(i) do not file a Schedule C (or the
4 equivalent successor schedule) with the
5 Federal income tax return for the second
6 preceding tax year; or

7 “(ii) file a Schedule C (or the equiva-
8 lent successor schedule) with net business
9 income of not more than a \$10,000 loss or
10 gain with the Federal income tax return
11 for the second preceding tax year.

12 “(C) Is an applicant who is an independent
13 student and the student (and including the stu-
14 dent’s spouse, if any) has a total adjusted gross
15 income that is less than \$75,000 and does not
16 file a Schedule A, B, C, D, E, F, or H (or
17 equivalent successor schedules), with the Fed-
18 eral income tax return for the second preceding
19 tax year, and—

20 “(i) does not file a Schedule C (or the
21 equivalent successor schedule) with the
22 Federal income tax return for the second
23 preceding tax year; or

24 “(ii) files a Schedule C (or the equiva-
25 lent successor schedule) with net business

1 income of not more than a \$10,000 loss or
 2 gain with the Federal income tax return
 3 for the second preceding tax year.

4 “(3) SPECIAL RULE.—An eligible applicant
 5 shall not be exempt from asset reporting under this
 6 section if the applicant is a dependent student and
 7 the students’ parents do not—

8 “(A) reside in the United States or a
 9 United States territory; or

10 “(B) file taxes in the United States or a
 11 United States territory, except if such nonfiling
 12 is due to not being required to file a Federal
 13 tax return for the applicable tax year due to a
 14 low income.”.

15 (i) DISCRETION OF STUDENT FINANCIAL AID AD-
 16 MINISTRATORS.—Section 479A (20 U.S.C. 1087tt) is
 17 amended to read as follows:

18 **“SEC. 479A. DISCRETION OF STUDENT FINANCIAL AID AD-
 19 MINISTRATORS.**

20 “(a) AUTHORITY OF FINANCIAL AID ADMINIS-
 21 TRATOR.—

22 “(1) GENERAL AUTHORITY.—A financial aid
 23 administrator shall have the authority to, on the
 24 basis of documentation, make adjustments on a
 25 case-by-case basis to the cost of attendance or the

1 values of the data used to calculate the student aid
2 index or Federal Pell Grant award (or both) for an
3 individual eligible applicant with special cir-
4 cumstances. In making adjustments described in this
5 paragraph, a financial aid administrator may—

6 “(A) request and use supplementary infor-
7 mation, as necessary, about the financial status
8 or personal circumstances of eligible applicants
9 as it relates to the special circumstances based
10 on which the applicant is requesting an adjust-
11 ment; or

12 “(B) offer a dependent student financial
13 assistance under a Federal Direct Unsubsidized
14 Stafford Loan without requiring the parents of
15 such student to file the Free Application for
16 Federal Student Aid if the student financial aid
17 administrator determines that each parent of
18 such student has ended financial support of
19 such student and refuses to file such form.

20 “(2) LIMITATION RELATING TO AUTHORITY OF
21 THE FINANCIAL AID ADMINISTRATOR.—In the ab-
22 sence of special circumstances as described in sub-
23 paragraphs (A) and (B) of this paragraph, the au-
24 thority under paragraph (1) shall not be construed
25 to permit financial aid administrators to deviate

1 from the cost of attendance, the values of the data
2 used to calculate the student aid index or the values
3 of the data used to calculate the Federal Pell Grant
4 award (or both) for awarding aid under this title.

5 “(A) SPECIAL CIRCUMSTANCES FOR AD-
6 JUSTMENTS RELATED TO PELL GRANTS.—Spe-
7 cial circumstances for adjustments to calculate
8 a Federal Pell Grant award—

9 “(i) shall be conditions that differen-
10 tiate an individual student from a class of
11 students rather than conditions that exist
12 across a class of students; and

13 “(ii) may include—

14 “(I) recent unemployment of a
15 family member or an independent stu-
16 dent;

17 “(II) a student or family member
18 who is a dislocated worker (as defined
19 in section 3 of the Workforce Innova-
20 tion and Opportunity Act);

21 “(III) a change in housing status
22 that results in an individual being
23 homeless (as defined in section 103 of
24 the McKinney-Vento Homeless Assist-
25 ance Act);

1 “(IV) a recent condition of severe
2 disability of the student, the depend-
3 ent student’s parent or guardian, or
4 an independent student’s dependent
5 or spouse; or

6 “(V) other changes or adjust-
7 ments in the income, assets, or size of
8 a family, or a student’s dependency
9 status.

10 “(B) SPECIAL CIRCUMSTANCES FOR AD-
11 JUSTMENTS RELATED TO COST OF ATTEND-
12 ANCE AND STUDENT AID INDEX.—Special cir-
13 cumstances for adjustments to the cost of at-
14 tendance or the values of the data used to cal-
15 culate the student aid index—

16 “(i) shall be conditions that differen-
17 tiate an individual student from a class of
18 students rather than conditions that exist
19 across a class of students; and

20 “(ii) may include—

21 “(I) tuition expenses at an ele-
22 mentary school or secondary school;

23 “(II) medical, dental, or nursing
24 home expenses not covered by insur-
25 ance;

1 “(III) unusually high child care
2 or dependent care costs;

3 “(IV) recent unemployment of a
4 family member or an independent stu-
5 dent;

6 “(V) a student or family member
7 who is a dislocated worker (as defined
8 in section 3 of the Workforce Innova-
9 tion and Opportunity Act);

10 “(VI) the number of family mem-
11 bers enrolled in a degree, certificate,
12 or other program leading to a recog-
13 nized educational credential at an in-
14 stitution with a program participation
15 agreement under section 487;

16 “(VII) a change in housing sta-
17 tus that results in an individual being
18 homeless (as defined in section 103 of
19 the McKinney-Vento Homeless Assist-
20 ance Act);

21 “(VIII) in the case of a depend-
22 ent student, a recent condition of se-
23 vere disability of the student, the de-
24 pendent student’s parent or guardian,

1 or an independent student's depend-
2 ent or spouse;

3 “(IX) exceptional circumstances
4 of claimed losses against income on
5 the Federal tax return that substan-
6 tially lower adjusted gross income,
7 such as unusual business, investment,
8 or real estate losses; or

9 “(X) other changes or adjust-
10 ments in the income, assets, or size of
11 a family, or a student's dependency
12 status.

13 “(3) USE OF AUTHORITY.—No institution of
14 higher education or financial aid administrator shall
15 maintain a policy of denying all requests for adjust-
16 ments under this subsection.

17 “(4) DOCUMENTATION AND PROHIBITION ON
18 FEES.—

19 “(A) IN GENERAL.—Documentation for
20 adjustments under paragraph (1) shall substan-
21 tiate the special circumstances of individual stu-
22 dents, and may include a documented interview
23 between the student and the financial aid ad-
24 ministrator.

1 “(B) NO ADDITIONAL FEE.—No student or
2 parent shall be charged a fee for a documented
3 interview of the student by the financial aid ad-
4 ministrators or for the review of a student or
5 parent’s request for adjustments under this
6 subsection including the review of any supple-
7 mentary information or documentation of a stu-
8 dent or parent’s special circumstance.

9 “(C) DISCLOSURE.—Each institution of
10 higher education shall provide a public notice
11 on the institution’s financial aid website that
12 students applying for aid under this title shall
13 have the opportunity to pursue adjustments
14 under this subsection.

15 “(b) PROVISIONAL INDEPENDENT STUDENTS.—

16 “(1) REQUIREMENTS FOR THE SECRETARY.—

17 The Secretary shall—

18 “(A) enable each student who, based on an
19 unusual circumstance specified in accordance
20 with section 480(d)(1)(I), may qualify for an
21 adjustment under subsection (a) that will result
22 in a determination of independence under this
23 section and section 480(d)(1)(I) to complete the
24 Free Application for Federal Student Aid as an
25 independent student for the purpose of a provi-

1 sional determination of the student’s Federal fi-
2 nancial aid award, but subject to the authority
3 under paragraph (2)(E), for the purpose of the
4 final determination of the award;

5 “(B) upon completion of the Free Applica-
6 tion for Federal Student Aid provide an esti-
7 mate of the student’s Federal Pell Grant
8 award, based on the assumption the student is
9 determined to be an independent student; and

10 “(C) specify, on the Free Application for
11 Federal Student Aid, the consequences under
12 section 490(a) of knowingly and willfully com-
13 pleting the Free Application for Federal Stu-
14 dent Aid as an independent student under sub-
15 paragraph (A) without meeting the unusual cir-
16 cumstances to qualify for such a determination.

17 “(2) REQUIREMENTS FOR FINANCIAL AID AD-
18 MINISTRATORS.—With respect to a student accepted
19 for admission who completes the Free Application
20 for Federal Student Aid as an independent student
21 under paragraph (1)(A), a financial aid adminis-
22 trator—

23 “(A) shall notify the student of the institu-
24 tional process and requirements for an adjust-
25 ment under this section and section

1 480(d)(1)(I) that will result in a review of the
2 student's request for an adjustment and a de-
3 termination of the student's dependency status
4 under such sections within a reasonable time
5 after the student completes the Free Applica-
6 tion for Federal Student Aid;

7 “(B) shall provide the student a final de-
8 termination of the student's dependency status
9 and Federal financial aid award within a rea-
10 sonable amount of time after all requested doc-
11 umentation is provided;

12 “(C) may consider as adequate verification
13 that a student qualifies for an adjustment
14 under this section and 480(d)(1)(I)—

15 “(i) submission of a court order or of-
16 ficial Federal or State documentation that
17 the student's parents or legal guardians
18 are incarcerated in any Federal or State
19 penal institution;

20 “(ii) a documented phone call or a
21 written statement, which confirms the spe-
22 cific unusual circumstances with—

23 “(I) a child welfare agency au-
24 thorized by a State or county;

1 “(II) a Tribal child welfare au-
2 thority;

3 “(III) an independent living case
4 worker; or

5 “(IV) a public or private agency,
6 facility, or program serving the vic-
7 tims of abuse, neglect, assault, or vio-
8 lence;

9 “(iii) a documented phone call or a
10 written statement from an attorney, a
11 guardian ad litem, or a court appointed
12 special advocate, which confirms the spe-
13 cific unusual circumstances and documents
14 the person’s relationship to the student;

15 “(iv) a documented phone call or a
16 written statement from a representative of
17 a program under chapter 1 or 2 of subpart
18 2 of part A, which confirms the specific
19 unusual circumstances and documents the
20 person’s relationship to the student;

21 “(v) submission of a copy of the stu-
22 dent’s parents’—

23 “(I) certificates of death; or

24 “(II) verified obituaries; or

1 “(vi) in the absence of documentation
2 described in this subparagraph, other doc-
3 umentation the financial aid administrator
4 determines is adequate and appropriate to
5 confirm the unusual circumstances;

6 “(D) shall retain all documents related to
7 the adjustment under this section and section
8 480(d)(1)(I), including documented interviews,
9 for at least the duration of the student’s enroll-
10 ment, and shall abide by all other record keep-
11 ing requirements of this Act; and

12 “(E) shall presume that any student who
13 has obtained an adjustment under this section
14 and section 480(d)(1)(I) and a final determina-
15 tion of independence for a preceding award year
16 at an institution to be independent for a subse-
17 quent award year at the same institution un-
18 less—

19 “(i) the student informs the institu-
20 tion that circumstances have changed; or

21 “(ii) the institution has specific con-
22 flicting information about the student’s
23 independence.

24 “(c) ADJUSTMENTS TO ASSETS OR INCOME TAKEN
25 INTO ACCOUNT.—A financial aid administrator shall be

1 considered to be making a necessary adjustment in accord-
2 ance with subsection (a) if—

3 “(1) the administrator makes adjustments ex-
4 cluding from family income or assets any proceeds
5 or losses from a sale of farm or business assets of
6 a family if such sale results from a voluntary or in-
7 voluntary foreclosure, forfeiture, or bankruptcy or a
8 voluntary or involuntary liquidation; or

9 “(2) the administrator makes adjustments for a
10 student with a disability so as to take into consider-
11 ation the additional costs such student incurs as a
12 result of such student’s disability.

13 “(d) REFUSAL OR ADJUSTMENT OF LOAN CERTIFI-
14 CATIONS.—On a case-by-case basis, an eligible institution
15 may refuse to use the authority provided under this sec-
16 tion, certify a statement that permits a student to receive
17 a loan under part D, certify a loan amount, or make a
18 loan that is less than the student’s determination of need
19 (as determined under this part), if the reason for the ac-
20 tion is documented and provided in written form to the
21 student. No eligible institution shall discriminate against
22 any borrower or applicant in obtaining a loan on the basis
23 of race, national origin, religion, sex, marital status, age,
24 or disability status.”.

1 (j) DISREGARD OF STUDENT AID IN OTHER PRO-
2 GRAMS.—Section 479B (20 U.S.C. 1087uu) is amended
3 to read as follows:

4 **“SEC. 479B. DISREGARD OF STUDENT AID IN OTHER PRO-**
5 **GRAMS.**

6 “Notwithstanding any other provision of law, student
7 financial assistance received under this title, or under Bu-
8 reau of Indian Affairs student assistance programs, shall
9 not be taken into account in determining the need or eligi-
10 bility of any person for benefits or assistance, or the
11 amount of such benefits or assistance, under any Federal,
12 State, or local program financed in whole or in part with
13 Federal funds.”.

14 (k) NATIVE AMERICAN STUDENTS.—Section 479C
15 (20 U.S.C. 1087uu–1) is amended to read as follows:

16 **“SEC. 479C. NATIVE AMERICAN STUDENTS.**

17 “In determining the student aid index for Native
18 American students, computations performed pursuant to
19 this part shall exclude—

20 “(1) any income and assets of \$2,000 or less
21 per individual payment received by the student (and
22 spouse) and student’s parents under Public Law 98–
23 64 (25 U.S.C. 117a et seq.; 97 Stat. 365) (com-
24 monly known as the ‘Per Capita Act’) or the Indian

1 Tribal Judgment Funds Use or Distribution Act (25
2 U.S.C. 1401 et seq.); and

3 “(2) any income received by the student (and
4 spouse) and student’s parents under the Alaska Na-
5 tive Claims Settlement Act (43 U.S.C. 1601 et seq.)
6 or the Maine Indian Claims Settlement Act of 1980
7 (25 U.S.C. 1721 et seq.).”.

8 (l) DEFINITIONS.—Section 480 (20 U.S.C. 1087vv)
9 is amended to read as follows:

10 **“SEC. 480. DEFINITIONS.**

11 “In this part:

12 “(a) TOTAL INCOME.—The term ‘total income’
13 means the amount equal to adjusted gross income for the
14 second preceding tax year plus untaxed income and bene-
15 fits for the second preceding tax year minus excludable
16 income for the second preceding tax year. The factors used
17 to determine total income shall be derived from the Fed-
18 eral income tax return, if available, except for the appli-
19 cant’s ability to indicate a qualified rollover in the second
20 preceding tax year as outlined in section 483.

21 “(b) UNTAXED INCOME AND BENEFITS.—The term
22 ‘untaxed income and benefits’ means—

23 “(1) deductions and payments to self-employed
24 SEP, SIMPLE, Keogh, and other qualified indi-
25 vidual retirement accounts excluded from income for

1 Federal tax purposes, except such term shall not in-
2 clude payments made to tax-deferred pension and
3 retirement plans, paid directly or withheld from
4 earnings, that are not delineated on the Federal tax
5 return;

6 “(2) tax-exempt interest income;

7 “(3) untaxed portion of individual retirement
8 account distributions;

9 “(4) untaxed portion of pensions; and

10 “(5) untaxed contributions to health savings ac-
11 counts.

12 “(c) VETERAN.—The term ‘veteran’ has the meaning
13 given the term in section 101(2) of title 38, United States
14 Code.

15 “(d) INDEPENDENT STUDENTS AND DETERMINA-
16 TIONS.—

17 “(1) DEFINITION.—The term ‘independent’,
18 when used with respect to a student, means any in-
19 dividual who—

20 “(A) is 24 years of age or older by Decem-
21 ber 31 of the award year;

22 “(B) is an orphan, in foster care, or a
23 ward of the court, or was an orphan, in foster
24 care, or a ward of the court at any time when
25 the individual was 13 years of age or older;

1 “(C) is, or was immediately prior to attain-
2 ing the age of majority, an emancipated minor
3 or in legal guardianship as determined by a
4 court of competent jurisdiction in the individ-
5 ual’s State of legal residence;

6 “(D) is a veteran of the Armed Forces of
7 the United States (as defined in subsection (e))
8 or is currently serving on active duty in the
9 Armed Forces for other than training purposes;

10 “(E) is a graduate or professional student;

11 “(F) is a married individual;

12 “(G) has legal dependents other than a
13 spouse;

14 “(H) has been verified as either an unac-
15 companied youth 23 years of age or younger
16 who is a homeless child or youth (as such term
17 is defined in section 725 of the McKinney-
18 Vento Homeless Assistance Act), or as unac-
19 companied, at risk of homelessness, and self-
20 supporting, by—

21 “(i) a local educational agency home-
22 less liaison, designated pursuant to section
23 722(g)(1)(J)(ii) of the McKinney-Vento
24 Homeless Assistance Act or a designee of
25 the liaison;

1 “(ii) the director of a recognized
2 emergency shelter, transitional living,
3 street outreach program, or other program
4 serving individuals who are homeless or a
5 designee of the director;

6 “(iii) the director of a Federal TRIO
7 program or a Gaining Early Awareness
8 and Readiness for Undergraduate program
9 under chapter 1 or 2 of subpart 2 of part
10 A or a designee of the director; or

11 “(iv) a financial aid administrator
12 who verified the student’s circumstance in
13 a prior award year; or

14 “(I) is a student for whom a financial aid
15 administrator makes a documented determina-
16 tion of independence by reason of other unusual
17 circumstances in which the student is unable to
18 contact a parent or where contact with parents
19 poses a risk to such student, which may include
20 circumstances of—

21 “(i) human trafficking, as described
22 in the Trafficking Victims Protection Act
23 of 2000 (22 U.S.C. 7101 et seq.);

24 “(ii) legally granted refugee or asylum
25 status;

1 “(iii) parental abandonment; or

2 “(iv) parental imprisonment.

3 “(2) SIMPLIFYING THE DEPENDENCY OVER-
4 RIDE PROCESS.—A financial aid administrator may
5 make a determination of independence under para-
6 graph (1)(I) based upon a documented determina-
7 tion of independence that was previously made by
8 another financial aid administrator under such para-
9 graph in the same award year.

10 “(3) DETERMINATION PROCESS FOR UNACCOM-
11 PANIED YOUTH.—A financial aid administrator shall
12 make a case-by-case determination under paragraph
13 (1)(H) if a student does not have, and cannot get,
14 documentation from any of the other designated au-
15 thorities described in such paragraph, and, in the
16 absence of conflicting information, may verify a sta-
17 tus described in such paragraph. Such a determina-
18 tion shall be—

19 “(A) based on the definitions outlined in
20 paragraph (1)(H);

21 “(B) distinct from a determination of inde-
22 pendence under paragraph (1)(I);

23 “(C) based on a written statement from or
24 a documented interview with the student which

1 confirms the student’s status as an unaccom-
2 panied youth;

3 “(D) limited to whether the student’s sta-
4 tus has been verified through an individual de-
5 scribed in paragraph (1)(H); and

6 “(E) made independent from the reasons
7 for the student’s homelessness.

8 “(4) VERIFICATION PROCESS FOR FOSTER CARE
9 YOUTH.—If an institution requires documentation to
10 verify that a student was in foster care when the
11 student was age 13 or older, as described in para-
12 graph (1)(B), a financial aid administrator shall
13 consider any of the following as adequate
14 verification, in the absence of documented conflicting
15 information:

16 “(A) Submission of a court order or offi-
17 cial State documentation that the student re-
18 ceived Federal or State support in foster care.

19 “(B) A documented phone call, written
20 statement, or verifiable electronic data match,
21 which confirms the student was in foster care
22 at an applicable age, from—

23 “(i) a State or tribal agency admin-
24 istering a program under part B or E of

1 title IV of the Social Security Act (42
2 U.S.C. 621 et seq. and 670 et seq.);

3 “(ii) a State Medicaid agency; or

4 “(iii) a public or private foster care
5 placing agency or foster care facility or
6 placement.

7 “(C) A documented phone call or a written
8 statement from an attorney, a guardian ad
9 litem, or a Court Appointed Special Advocate
10 that confirms that the student was in foster
11 care at an applicable age, and documents the
12 person’s relationship to the student.

13 “(D) Verification of the student’s eligibility
14 for an education and training voucher under the
15 John H. Chafee Foster Care Program under
16 section 477 of the Social Security Act (42
17 U.S.C. 677).

18 “(5) TIMING; USE OF EARLIER DETERMINA-
19 TION.—

20 “(A) TIMING.—A determination under
21 subparagraph (B), (H) or (I) of paragraph (1)
22 for a student—

23 “(i) shall be made as quickly as prac-
24 ticable;

1 “(ii) may be made as early as the year
2 before the award year for which the stu-
3 dent initially submits an application; and

4 “(iii) shall be made not later than
5 during the award year for which the stu-
6 dent initially submits an application.

7 “(B) USE OF EARLIER DETERMINATION.—
8 Any student who is determined to be inde-
9 pendent under subparagraph (B), (H) or (I) of
10 paragraph (1) for a preceding award year at an
11 institution shall be presumed to be independent
12 for each subsequent award year at the same in-
13 stitution unless—

14 “(i) the student informs the institu-
15 tion that circumstances have changed; or

16 “(ii) the institution has specific con-
17 flicting information about the student’s
18 independence, and has informed the stu-
19 dent of this information.

20 “(6) RETENTION OF DOCUMENTS.—A financial
21 aid administrator shall retain all documents related
22 to the determination of independence under subpara-
23 graph (B) or (H) of paragraph (1), including docu-
24 mented interviews.

1 “(e) EXCLUDABLE INCOME.—The term ‘excludable
2 income’ means an amount equal to the education credits
3 described in paragraphs (1) and (2) of section 25A(a) of
4 the Internal Revenue Code of 1986.

5 “(f) ASSETS.—

6 “(1) IN GENERAL.—The term ‘assets’ means
7 cash on hand, including the amount in checking and
8 savings accounts, time deposits, money market
9 funds, trusts, stocks, bonds, derivatives, other secu-
10 rities, mutual funds, tax shelters, qualified education
11 benefits (except as provided in paragraph (3)), the
12 annual amount of child support received and the net
13 value of real estate, income producing property, and
14 business and farm assets, determined in accordance
15 with section 478(c).

16 “(2) EXCLUSIONS.—With respect to determina-
17 tions of need under this title, the term ‘assets’ shall
18 not include the net value of the family’s principal
19 place of residence.

20 “(3) QUALIFIED EDUCATION BENEFIT.—A
21 qualified education benefit shall be considered an
22 asset of—

23 “(A) the student if the student is an inde-
24 pendent student; or

1 “(B) the parent if the student is a depend-
2 ent student and the account is designated for
3 the student, regardless of whether the owner of
4 the account is the student or the parent.

5 “(g) NET ASSETS.—The term ‘net assets’ means the
6 current market value at the time of application of the as-
7 sets (as defined in subsection (f)), minus the outstanding
8 liabilities or indebtedness against the assets.

9 “(h) TREATMENT OF INCOME TAXES PAID TO
10 OTHER JURISDICTIONS.—

11 “(1) The tax on income paid to the Govern-
12 ments of the Commonwealth of Puerto Rico, Guam,
13 American Samoa, the Virgin Islands, or the Com-
14 monwealth of the Northern Mariana Islands, the Re-
15 public of the Marshall Islands, the Federated States
16 of Micronesia, or Palau under the laws applicable to
17 those jurisdictions, or the comparable tax paid to the
18 central government of a foreign country, shall be
19 treated as Federal income taxes.

20 “(2) References in this part to title 26, Federal
21 income tax forms, and the Internal Revenue Service
22 shall, for purposes of the tax described in paragraph
23 (1), be treated as references to the corresponding
24 laws, tax forms, and tax collection agencies of those

1 jurisdictions, respectively, subject to such adjust-
2 ments as the Secretary may provide by regulation.

3 “(i) CURRENT BALANCE.—The term ‘current balance
4 of checking and savings accounts’ does not include any
5 funds over which an individual is barred from exercising
6 discretion and control because of the actions of any State
7 in declaring a bank emergency due to the insolvency of
8 a private deposit insurance fund.

9 “(j) OTHER FINANCIAL ASSISTANCE.—

10 “(1) For purposes of determining a student’s
11 eligibility for funds under this title, other financial
12 assistance not received under this title shall include
13 all scholarships, grants, loans, or other assistance
14 known to the institution at the time the determina-
15 tion of the student’s need is made, including na-
16 tional service educational awards or post-service ben-
17 efits under title I of the National and Community
18 Service Act of 1990 (42 U.S.C. 12511 et seq.).

19 “(2) Notwithstanding paragraph (1), a tax
20 credit taken under section 25A of the Internal Rev-
21 enue Code of 1986, or a distribution that is not in-
22 cludable in gross income under section 529 of such
23 Code, under another prepaid tuition plan offered by
24 a State, or under a Coverdell education savings ac-
25 count under section 530 of such Code, shall not be

1 treated as other financial assistance for purposes of
2 section 471(a)(3).

3 “(3) Notwithstanding paragraph (1) and sec-
4 tion 472, assistance not received under this title may
5 be excluded from both other financial assistance and
6 cost of attendance, if that assistance is provided by
7 a State and is designated by such State to offset a
8 specific component of the cost of attendance. If that
9 assistance is excluded from either other financial as-
10 sistance or cost of attendance, it shall be excluded
11 from both.

12 “(4) Notwithstanding paragraph (1), payments
13 made and services provided under part E of title IV
14 of the Social Security Act to or on behalf of any
15 child or youth over whom the State agency has re-
16 sponsibility for placement, care, or supervision, in-
17 cluding the value of vouchers for education and
18 training and amounts expended for room and board
19 for youth who are not in foster care but are receiv-
20 ing services under section 477 of such Act, shall not
21 be treated as other financial assistance for purposes
22 of section 471(a)(3).

23 “(k) DEPENDENTS.—

24 “(1) Except as otherwise provided, the term
25 ‘dependent of the parent’ means the student, de-

1 pendent children of the student’s parents, including
2 those children who are deemed to be dependent stu-
3 dents when applying for aid under this title, and
4 other persons who live with and receive more than
5 one-half of their support from the parent and will
6 continue to receive more than half of their support
7 from the parent during the award year.

8 “(2) Except as otherwise provided, the term
9 ‘dependent of the student’ means the student’s de-
10 pendent children and other persons (except the stu-
11 dent’s spouse) who live with and receive more than
12 one-half of their support from the student and will
13 continue to receive more than half of their support
14 from the student during the award year.

15 “(1) FAMILY SIZE.—

16 “(1) DEPENDENT STUDENT.—Except as pro-
17 vided in paragraph (3), in determining family size in
18 the case of a dependent student—

19 “(A) if the parents are not divorced or sep-
20 arated, family members include the student’s
21 parents, and any dependent (within the mean-
22 ing of section 152 of the Internal Revenue Code
23 of 1986 or was an eligible individual for pur-
24 poses of the credit under section 32 of the In-
25 ternal Revenue Code of 1986) of the student’s

1 parents for the taxable year used in deter-
2 mining the amount of need of the student for
3 financial assistance under this title;

4 “(B) if the parents are divorced or sepa-
5 rated, family members include the parent whose
6 income is included in computing available in-
7 come and any dependent (within the meaning of
8 section 152 of the Internal Revenue Code of
9 1986 or was an eligible individual for purposes
10 of the credit under section 32 of the Internal
11 Revenue Code of 1986) of that parent for the
12 taxable year used in determining the amount of
13 need of the student for financial assistance
14 under this title;

15 “(C) if the parents are divorced and the
16 parents whose income is so included is remar-
17 ried, or if the parent was a widow or widower
18 who has remarried, family members also in-
19 clude, in addition to those individuals referred
20 to in paragraph (B), and any dependent (within
21 the meaning of section 152 of the Internal Rev-
22 enue Code of 1986 or was an eligible individual
23 for purposes of the credit under section 32 of
24 the Internal Revenue Code of 1986) of the new
25 spouse for the taxable year used in determining

1 the amount of need of the student for financial
2 assistance under this title, if that spouse's in-
3 come is included in determining the parent's
4 adjusted available income; and

5 “(D) if the student is not considered as a
6 dependent (within the meaning of section 152
7 of the Internal Revenue Code of 1986 or was
8 an eligible individual for purposes of the credit
9 under section 32 of the Internal Revenue Code
10 of 1986) of any parent, the parents' family size
11 shall include the student and the family mem-
12 bers applicable to the parents' situation under
13 subparagraph (A), (B), or (C).

14 “(2) INDEPENDENT STUDENT.—Except as pro-
15 vided in paragraph (3), in determining family size in
16 the case of an independent student—

17 “(A) family members include the student,
18 the student's spouse, and any dependent (within
19 the meaning of section 152 of the Internal Rev-
20 enue Code of 1986 or was an eligible individual
21 for purposes of the credit under section 32 of
22 the Internal Revenue Code of 1986) of that stu-
23 dent for the taxable year used in determining
24 the amount of need of the student for financial
25 assistance under this title; and

1 “(B) if the student is divorced or sepa-
2 rated, family members do not include the
3 spouse (or ex-spouse), but do include the stu-
4 dent and any dependent (within the meaning of
5 section 152 of the Internal Revenue Code of
6 1986 or was an eligible individual for purposes
7 of the credit under section 32 of the Internal
8 Revenue Code of 1986) of that student for the
9 taxable year used in determining the amount of
10 need of the student for financial assistance
11 under this title.

12 “(3) PROCEDURES AND MODIFICATION.—The
13 Secretary shall provide procedures for determining
14 family size in cases in which information for the tax-
15 able year used in determining the amount of need of
16 the student for financial assistance under this title
17 has changed or does not accurately reflect the appli-
18 cant’s current household size.

19 “(m) BUSINESS ASSETS.—The term ‘business assets’
20 means property that is used in the operation of a trade
21 or business, including real estate, inventories, buildings,
22 machinery, and other equipment, patents, franchise rights,
23 and copyrights.”.

24 (m) FAFSA.—Section 483 (20 U.S.C. 1090) is
25 amended to read as follows:

1 **“SEC. 483. FREE APPLICATION FOR FEDERAL STUDENT AID.**

2 “(a) SIMPLIFIED APPLICATION FOR FEDERAL STU-
3 DENT FINANCIAL AID.—

4 “(1) IN GENERAL.—Each individual seeking to
5 apply for Federal financial aid under this title for
6 any award year shall file a free application with the
7 Secretary, known as the ‘Free Application for Fed-
8 eral Student Aid’, to determine eligibility for such
9 aid, as described in paragraph (2), and in accord-
10 ance with section 479.

11 “(2) FREE APPLICATION.—

12 “(A) IN GENERAL.—The Secretary shall
13 make available, for the purposes of paragraph
14 (1), a free application to determine the eligi-
15 bility of a student for Federal financial aid
16 under this title.

17 “(B) INFORMATION REQUIRED BY THE AP-
18 PPLICANT.—

19 “(i) IN GENERAL.—The applicant,
20 and, if necessary, the parents or spouse of
21 the applicant, shall provide the Secretary
22 with the applicable information described
23 in clause (ii) in order to be eligible for
24 Federal financial aid under this title.

1 “(ii) INFORMATION TO BE PRO-
2 VIDED.—The information described in this
3 clause is the following:

4 “(I) Name.

5 “(II) Contact information, in-
6 cluding address, phone number, email
7 address, or other electronic address.

8 “(III) Social security number.

9 “(IV) Date of birth.

10 “(V) Marital status.

11 “(VI) Citizenship status, includ-
12 ing alien registration number, if appli-
13 cable.

14 “(VII) State of legal residence
15 and date of residency.

16 “(VIII) Name and location of the
17 high school from which the applicant
18 received, or will receive prior to the
19 period of enrollment for which aid is
20 sought, a regular high school diploma,
21 name and location of the entity from
22 which the applicant received, or will
23 receive prior to the period of enroll-
24 ment for which aid is sought, a recog-
25 nized equivalent of a regular high

1 school diploma, or if the applicant
2 completed or will complete prior to the
3 period of enrollment for which aid is
4 sought, a secondary school education
5 in a home school setting that is treat-
6 ed as a home school or private school
7 under State law.

8 “(IX) Name of each institution
9 where the applicant intends to apply
10 for enrollment or continue enrollment.

11 “(X) Year in school for period of
12 enrollment for which aid is sought, in-
13 cluding whether applicant will have
14 finished first bachelor’s degree prior
15 to the period of enrollment for which
16 aid is sought.

17 “(XI) Whether one or both of an
18 applicant’s parents attended college.

19 “(XII) Any required asset infor-
20 mation, unless exempt under section
21 479, in which the applicant shall indi-
22 cate—

23 “(aa) the annual amount of
24 child support received, if applica-
25 ble; and

1 “(bb) all required asset in-
2 formation not described in item
3 (aa).

4 “(XIII) The number of members
5 of the applicant’s family who will also
6 be enrolled in an eligible institution of
7 higher education on at least a half-
8 time basis during the same enrollment
9 period as the applicant.

10 “(XIV) If the applicant meets
11 any of the following designations:

12 “(aa) Homeless, at risk of
13 being homeless, or an unaccom-
14 panied youth.

15 “(bb) Emancipated minor.

16 “(cc) In legal guardianship.

17 “(dd) Dependent ward of
18 the court at any time since the
19 applicant turned 13.

20 “(ee) In foster care at any
21 time since the applicant turned
22 13.

23 “(ff) If both parents have
24 died since the applicant turned
25 13.

1 “(gg) Is a veteran or a
2 member of the Armed Forces.

3 “(hh) Has a dependent child
4 or relative and is under the age
5 of 24.

6 “(ii) Does not have access to
7 parental income due to an un-
8 usual circumstance.

9 “(XV) If the applicant receives or
10 has received any of the following
11 means-tested Federal benefits within
12 the last two years:

13 “(aa) The supplemental se-
14 curity income program under
15 title XVI of the Social Security
16 Act (42 U.S.C. 1381 et seq.).

17 “(bb) The supplemental nu-
18 trition assistance program under
19 the Food and Nutrition Act of
20 2008 (7 U.S.C. 2011 et seq.).

21 “(cc) The free and reduced
22 price school lunch program estab-
23 lished under the Richard B. Rus-
24 sell National School Lunch Act
25 (42 U.S.C. 1751 et seq.).

1 “(dd) The program of block
2 grants for States for temporary
3 assistance for needy families es-
4 tablished under part A of title IV
5 of the Social Security Act (42
6 U.S.C. 601 et seq.).

7 “(ee) The special supple-
8 mental nutrition program for
9 women, infants, and children es-
10 tablished by section 17 of the
11 Child Nutrition Act of 1966 (42
12 U.S.C. 1786).

13 “(ff) The Medicaid program
14 under title XIX of the Social Se-
15 curity Act (42 U.S.C. 1396 et
16 seq.).

17 “(gg) Any other means-test-
18 ed program determined by the
19 Secretary to be appropriate.

20 “(XVI) If the applicant, or, if
21 necessary, the parents or spouse of
22 the applicant, reported receiving tax
23 exempt payments from an IRA dis-
24 tribution or from pensions or annu-
25 ities on a Federal tax return the Sec-

1 retary shall request the applicant, or,
2 if necessary, the parents or spouse of
3 the applicant to provide information
4 as to how much of the IRA distribu-
5 tion or the pension or annuity dis-
6 bursement was a qualified rollover
7 and the applicant, or, if necessary, the
8 parents or spouse of the applicant
9 shall provide such information to the
10 Secretary for the purpose of the need
11 analysis.

12 “(iii) PROHIBITION AGAINST RE-
13 QUESTING INFORMATION MORE THAN
14 ONCE.—Any information requested during
15 the process of creating an account for com-
16 pleting the web-based free application
17 under this subsection, shall not be required
18 a second time for the same award year, or
19 in a duplicative manner, when completing
20 such web-based free application.

21 “(iv) CHANGE IN FAMILY SIZE.—The
22 Secretary shall provide a process by which
23 an applicant shall confirm the accuracy of
24 family size or update the family size with
25 respect to such applicant for purposes of

1 determining the need of such applicant for
2 financial assistance under this title based
3 on a change in family size from the tax
4 year data used for such determination.

5 “(v) SINGLE QUESTION FOR HOME-
6 LESS STATUS.—The Secretary shall ensure
7 that, on the form developed under this sec-
8 tion for which the information is applica-
9 ble, there is a single, easily understood
10 screening question to identify an applicant
11 who is an unaccompanied homeless child or
12 youth (as such term is defined in section
13 725 of the McKinney-Vento Homeless As-
14 sistance Act) or an unaccompanied youth
15 who is self-supporting and at risk of home-
16 lessness.

17 “(C) NOTIFICATION OF REQUEST FOR TAX
18 RETURN INFORMATION.—The Secretary shall
19 advise students and borrowers who submit an
20 application for Federal student financial aid
21 under this title (as well as parents and spouses
22 who sign such an application or request or a
23 Master Promissory Note on behalf of those stu-
24 dents and borrowers) of the authority of the
25 Secretary to request that the Internal Revenue

1 Service disclose their tax return information as
2 described in section 494.

3 “(D) AUTHORIZATIONS AVAILABLE TO THE
4 APPLICANT.—

5 “(i) AUTHORIZATION TO RELEASE
6 AND TRANSMIT TO INSTITUTION.—An ap-
7 plicant and, if necessary, the parents or
8 spouse of the applicant shall provide the
9 Secretary with authorization to release and
10 transmit to an institution, as specified by
11 the applicant, in order for the applicant’s
12 eligibility for Federal financial aid pro-
13 grams to be determined, the following:

14 “(I) Information described under
15 section 6103(l)(13) of the Internal
16 Revenue Code of 1986.

17 “(II) All information provided by
18 the applicant on the application de-
19 scribed by this subsection to deter-
20 mine the applicant’s eligibility for
21 Federal financial aid under this title
22 and for the application, award, and
23 administration of such Federal finan-
24 cial aid.

1 “(ii) AUTHORIZATION TO RELEASE
2 AND TRANSMIT TO STATE AND INSTITU-
3 TION.—

4 “(I) IN GENERAL.—An applicant
5 and, if necessary, the parents or
6 spouse of the applicant may provide
7 the Secretary with authorization to re-
8 lease and transmit to the State of res-
9 idence of the applicant and to any in-
10 stitution specified by the applicant, in
11 order for the applicant’s eligibility for
12 State student financial aid programs
13 or institution-based student financial
14 aid programs to be determined, the
15 following:

16 “(aa) Information described
17 under section 6103(l)(13) of the
18 Internal Revenue Code of 1986.

19 “(bb) All information pro-
20 vided by the applicant on the ap-
21 plication described by this sub-
22 section for the application,
23 award, and administration of fi-
24 nancial aid by a State or an in-
25 stitution of higher education.

1 “(II) SPECIAL RULE.—An insti-
2 tution to which an applicant selects to
3 release and transmit information
4 under subclause (I) shall not be dis-
5 closed to any other institution.

6 “(iii) AUTHORIZATION TO RELEASE
7 AND TRANSMIT TO BENEFITS PRO-
8 GRAMS.—An applicant and, if necessary,
9 the parents or spouse of the applicant may
10 provide the Secretary with authorization to
11 release and transmit to means-tested Fed-
12 eral benefit programs, as defined in section
13 473(e), the following:

14 “(I) Information described under
15 section 6103(l)(13) of the Internal
16 Revenue Code of 1986.

17 “(II) All information provided by
18 the applicant on the application de-
19 scribed by this subsection to deter-
20 mine the applicant’s eligibility for the
21 application, award, and administration
22 of such means-tested Federal benefits
23 programs.

24 “(E) ACTION BY THE SECRETARY.—Upon
25 receiving—

1 “(i) an application under this section,
2 the Secretary shall, as soon as practicable,
3 perform the necessary functions with the
4 Commissioner of Internal Revenue to cal-
5 culate the applicant’s student aid index
6 and scheduled award for a Federal Pell
7 Grant, if applicable, assuming full-time en-
8 rollment for an academic year, and note to
9 the applicant the assumptions relationship
10 to the scheduled award; and

11 “(ii) an authorization under subpara-
12 graph (D), the Secretary shall, as soon as
13 practicable, release and transmit the infor-
14 mation described under such subparagraph
15 to the State of residence of the applicant
16 or an institution, as specified by the appli-
17 cant, in order for the applicant’s eligibility
18 for Federal, State, or institutional student
19 financial aid programs to be estimated or
20 determined.

21 “(3) INFORMATION TO BE SUPPLIED BY THE
22 SECRETARY OF EDUCATION.—

23 “(A) IN GENERAL.—Upon receiving and
24 timely processing a free application that con-
25 tains the information described in paragraph

1 (2), the Secretary shall provide to the applicant
2 (and the parents of a dependent student appli-
3 cant, or spouse of the independent student ap-
4 plicant, if applicable) the following information
5 based on full-time attendance for an academic
6 year:

7 “(i) The estimated dollar amount of a
8 Federal Pell Grant scheduled award for
9 which the applicant is eligible for such
10 award year.

11 “(ii) Information on other types of
12 Federal financial aid for which the appli-
13 cant may be eligible (including situations
14 in which the applicant could qualify for
15 150 percent of a schedule Federal Pell
16 Grant award and loans made under this
17 title) and how the applicant can find addi-
18 tional information regarding such aid.

19 “(iii) Information regarding each in-
20 stitution selected by the applicant in ac-
21 cordance with paragraph (2)(B)(ii)(IX), in-
22 cluding the following:

23 “(I) The following information,
24 as collected through the Integrated

1 Postsecondary Education Data Sys-
2 tem:

3 “(aa) Net price by income
4 quintile.

5 “(bb) Median debt of stu-
6 dents upon completion.

7 “(cc) Graduation rate.

8 “(dd) Retention rate.

9 “(ee) Transfer rate, if avail-
10 able.

11 “(II) Institutional default rate,
12 as calculated under section 435.

13 “(iv) If the student is eligible for a
14 student aid index of less than or equal to
15 zero under section 473 but has not indi-
16 cated that they receive Federal means-test-
17 ed benefits, a notification of the Federal
18 means-tested benefits for which they may
19 be eligible.

20 “(v) Information on education tax
21 credits described in paragraphs (1) and (2)
22 of section 25A(a) of the Internal Revenue
23 Code of 1986.

1 “(vi) If applicable, the applicant’s cur-
2 rent outstanding balance of loans under
3 this title.

4 “(B) INFORMATION PROVIDED TO THE
5 STATE.—

6 “(i) IN GENERAL.—The Secretary
7 shall provide, with authorization from the
8 applicant in accordance with paragraph
9 (2)(D)(ii), to a State agency administering
10 State-based financial aid and serving the
11 applicant’s State of residence, the informa-
12 tion described under section 6103(l)(13) of
13 the Internal Revenue Code of 1986 and in-
14 formation described in paragraph (2)(B)
15 for the application, award and administra-
16 tion of grants and other aid provided di-
17 rectly from the State to be determined by
18 such State, such information shall include
19 the list of institutions provided by the ap-
20 plicant on the application.

21 “(ii) USE OF INFORMATION.—A State
22 agency administering State-based financial
23 aid—

24 “(I) shall use the information
25 provided under clause (i) solely for the

1 application, award, and administration
2 of State-based financial aid for which
3 the applicant is eligible and for State
4 agency research that does not release
5 any individually identifiable informa-
6 tion on any applicant to promote col-
7 lege attendance, persistence, and com-
8 pletion;

9 “(II) may use identifying infor-
10 mation for student applicants to de-
11 termine whether or not a graduating
12 secondary student has filed the appli-
13 cation in coordination with local edu-
14 cational agencies or secondary schools
15 to encourage students to complete the
16 application; and

17 “(III) shall be prohibited from
18 sharing application information with
19 any other entity without the explicit
20 written consent of the applicant, ex-
21 cept as provided in subclause (II).

22 “(iii) LIMITATION ON CONSENT PROC-
23 ESS.—A State may provide a consent proc-
24 ess whereby an applicant may elect to
25 share the information described in clause

1 (i) through explicit written consent to Fed-
2 eral, State or local government agencies or
3 tribal organizations to assist such appli-
4 cant in applying for and receiving Federal,
5 State, or local government assistance, or
6 tribal assistance for any component of the
7 applicant's cost of attendance which may
8 include financial assistance or non-mone-
9 tary assistance.

10 “(iv) PROHIBITION.—Any entity that
11 receives applicant information under clause
12 (iii) shall not sell, share, or otherwise use
13 applicant information other than for the
14 purposes outlined in clause (iii).

15 “(C) INFORMATION PROVIDED TO THE IN-
16 STITUTION.—

17 “(i) IN GENERAL.—The Secretary
18 shall provide, with authorization from the
19 applicant in accordance with paragraph
20 (2)(D)(ii), to each institution selected by
21 the applicant on the application, the infor-
22 mation described under section 6103(l)(13)
23 of the Internal Revenue Code of 1986 and
24 information described in paragraph (2)(B)
25 for the application, award and administra-

1 tion of grants and other aid provided di-
2 rectly from the institution to be deter-
3 mined by such institution and grants and
4 other aid provided directly from the State
5 or Federal Government.

6 “(ii) USE OF INFORMATION.—An in-
7 stitution—

8 “(I) shall use the information
9 provided to it under clause (i) solely
10 for the application, award, and admin-
11 istration of financial aid to the appli-
12 cant and for institutional research
13 that does not release any individually
14 identifiable information on any appli-
15 cant to promote college attendance,
16 persistence and completion; and

17 “(II) be prohibited from sharing
18 such information with any other enti-
19 ty without the explicit written consent
20 of the applicant.

21 “(iii) LIMITATION ON CONSENT PROC-
22 CESS.—An institution may provide a con-
23 sent process whereby an applicant can
24 elect to share the information described in
25 clause (i) with explicit written consent to a

1 scholarship granting organization, includ-
2 ing a tribal organization (defined in section
3 4 of the Indian Self-Determination and
4 Education Assistance Act (25 U.S.C.
5 5304)), or to Federal, State or local gov-
6 ernment agencies or tribal organizations to
7 assist the applicant in applying for and re-
8 ceiving private assistance, or Federal,
9 State, local government assistance, or trib-
10 al assistance for any component of the ap-
11 plicant’s cost of attendance which may in-
12 clude financial assistance or non-monetary
13 assistance.

14 “(iv) PROHIBITION.—Any entity that
15 receives applicant information under clause
16 (iii) shall not sell, share, or otherwise use
17 applicant information other than for the
18 purposes outlined in clause (iii).

19 “(4) DEVELOPMENT OF FORM AND INFORMA-
20 TION EXCHANGE.—The Secretary shall, to the extent
21 practicable, consult with stakeholders, prior to the
22 design of the free application described in this sub-
23 section, to gather information about innovations and
24 technology available to—

1 “(A) ensure an efficient and effective proc-
2 ess;

3 “(B) mitigate unintended consequences;
4 and

5 “(C) determine the best practices for out-
6 reach to students and families during the tran-
7 sition to the streamlined process for the deter-
8 mination of Federal financial aid and Federal
9 Pell Grant eligibility while reducing the data
10 burden on applicants and families.

11 “(5) NO ADDITIONAL INFORMATION REQUESTS
12 PERMITTED.—In carrying out this subsection, the
13 Secretary may not require additional information to
14 be submitted by an applicant (or the parents or
15 spouse of an applicant) for Federal financial aid
16 through other requirements or reporting.

17 “(6) STATE-RUN PROGRAMS.—

18 “(A) IN GENERAL.—The Secretary shall
19 conduct outreach to States in order to research
20 the benefits to students of States relying solely
21 on the financial data made available, upon au-
22 thorization by the applicant, as a result of an
23 application for aid under this subsection for de-
24 termining the eligibility of the applicant for
25 State provided financial aid.

1 “(B) SECRETARIAL REVIEW.—If a State
2 determines that there is a need for additional
3 data elements beyond those provided pursuant
4 to this subsection for determining the eligibility
5 of an applicant for State provided financial aid,
6 the State shall forward a list of those additional
7 data elements determined necessary, but not
8 provided by virtue of the application under this
9 subsection, to the Secretary. The Secretary
10 shall make readily available to the public
11 through its websites and other means—

12 “(i) a list of States that do not re-
13 quire additional financial information sepa-
14 rate from the Free Application for Federal
15 Student Aid and do not require asset infor-
16 mation from students who qualify for the
17 exemption from asset reporting under sec-
18 tion 479 for the purposes of awarding
19 State scholarships and grant aid;

20 “(ii) a list of States that require asset
21 information from students who qualify for
22 the exemption from asset reporting under
23 section 479 for the purposes of awarding
24 State scholarships and grant aid;

1 “(iii) a list of States that have indi-
2 cated that they require additional financial
3 information separate from the Free Appli-
4 cation for Federal Student Aid for pur-
5 poses of awarding State scholarships and
6 grant aid; and

7 “(iv) with the publication of the lists
8 under this subparagraph, information
9 about additional resources available to ap-
10 plicants, including links to such State
11 websites.

12 “(C) STUDIES.—The Secretary shall con-
13 duct studies on the effect of States requiring
14 additional information specified in clauses (ii)
15 and (iii) of subparagraph (B) on the determina-
16 tion of State financial aid awards and whether
17 the additional information required is a barrier
18 to college enrollment by examining—

19 “(i) how much financial aid awards
20 would change if the additional information
21 were not required;

22 “(ii) the number of students who
23 started but did not finish the Free Appli-
24 cation for Federal Student Aid, compared
25 to the baseline year of 2021; and

1 “(iii) the number of students who
2 started a Free Application for Federal Stu-
3 dent Aid but did not enroll in an institu-
4 tion of higher education in the cor-
5 responding academic year.

6 “(7) INSTITUTION-RUN FINANCIAL AID.—

7 “(A) IN GENERAL.—The Secretary shall
8 conduct outreach to institutions of higher edu-
9 cation to describe the benefits to students of re-
10 lying solely on the financial data made avail-
11 able, upon authorization for release by the ap-
12 plicant, as a result of an application for aid
13 under this subsection for determining the eligi-
14 bility of the applicant for institutional financial
15 aid. The Secretary shall make readily available
16 to the public through its websites and other
17 means—

18 “(i) a list of institutions that do not
19 require additional financial information
20 separate from the Free Application for
21 Federal Student Aid and do not require
22 asset information from students who qual-
23 ify for the exemption from asset reporting
24 under section 479 for the purpose of
25 awarding institution-run financial aid;

1 “(ii) a list of institutions that require
2 asset information from students who qual-
3 ify for the exemption from asset reporting
4 under section 479 for the purpose of
5 awarding institution-run financial aid;

6 “(iii) a list of institutions that require
7 additional financial information separate
8 from the Free Application for Federal Stu-
9 dent Aid for the purpose of awarding insti-
10 tution-run financial aid; and

11 “(iv) with the publication of the list in
12 clause (iii), information about additional
13 resources available to applicants.

14 “(8) SECURITY OF DATA.—The Secretary shall,
15 in consultation with the Secretary of the Treasury,
16 take all steps necessary to—

17 “(A) safeguard the data required to be
18 transmitted for the purpose of this section be-
19 tween Federal agencies and to States and insti-
20 tutions of higher education;

21 “(B) secure the transmittal of such data;
22 and

23 “(C) provide guidance to States and insti-
24 tutions of higher education regarding their obli-

1 gation to ensure the security of the data pro-
2 vided under this section.

3 “(9) REPORT TO CONGRESS.—

4 “(A) IN GENERAL.—Not later than one
5 year after the date of enactment of the Student
6 Aid Improvement Act of 2019, the Secretary
7 shall report to the Committee on Health, Edu-
8 cation, Labor, and Pensions of the Senate and
9 the Committee on Education and Labor of the
10 House of Representatives on the progress of the
11 Secretary in carrying out this subsection, in-
12 cluding planning and stakeholder consultation.
13 Such report shall include—

14 “(i) benchmarks for implementation;

15 “(ii) entities and organization to
16 which the Secretary reached out for con-
17 sultation;

18 “(iii) system requirements for such
19 implementation and how they will be ad-
20 dressed;

21 “(iv) any areas of concern and poten-
22 tial problem issues uncovered that may
23 hamper such implementation; and

24 “(v) solutions determined to address
25 such issues.

1 “(B) QUARTERLY UPDATES.—The Sec-
2 retary shall provide updates to the Committees
3 described in subparagraph (A)—

4 “(i) as to the progress and planning
5 described in subparagraph (A) prior to im-
6 plementation of the Free Application for
7 Federal Student Aid under this subsection
8 not less often than quarterly; and

9 “(ii) at least 6 months and 1 year
10 post implementation of the Free Applica-
11 tion for Federal Student Aid.

12 “(b) ADJUSTMENTS AND IMPROVEMENTS.—

13 “(1) IN GENERAL.—The Secretary shall dis-
14 close in a consumer-tested format, on the form noti-
15 fying a student of the student’s Federal Pell Grant
16 eligibility, that the student may, on a case-by-case
17 basis, qualify for an adjustment under section 479A
18 to the cost of attendance or the values of the data
19 items required to calculate the Federal Pell Grant or
20 the need analysis for the student or parent. Such
21 disclosure shall specify—

22 “(A) examples of the special circumstances
23 under which a student or family member may
24 qualify for such adjustment or determination of
25 independence; and

1 “(B) additional information regarding the
2 steps a student or family member may take in
3 order to seek an adjustment under section
4 479A.

5 “(2) CONSUMER TESTING.—

6 “(A) IN GENERAL.—The development of
7 the Free Application for Federal Student Aid
8 under this section shall be consumer tested with
9 prospective first-generation college students and
10 families as well as low-income individuals and
11 families.

12 “(B) UPDATES.—For award year 2021
13 and each fourth succeeding award year there-
14 after, the design of the Free Application for
15 Federal Student Aid shall be updated based on
16 additional consumer testing with the popu-
17 lations described in subparagraph (A) in order
18 to improve communication.

19 “(3) LANGUAGES FOR FAFSA.—The Secretary,
20 in conjunction with the Director of the Census Bu-
21 reau, shall determine the most common languages
22 spoken at home in the United States and shall de-
23 velop versions of the Free Application for Federal
24 Student Aid form in each of those languages.

1 “(4) REAPPLICATION IN A SUCCEEDING ACADEMIC YEAR.—In order to streamline applicant’s experience applying for financial aid, the Secretary shall allow an applicant who electronically applies for financial assistance under this title for an academic year subsequent to an academic year for which such applicant applied for financial assistance under this title to automatically electronically import all of the applicant’s (including parents, guardians, or spouses, as applicable) identifying, demographic, and school data from the previous application and to update such information to reflect any circumstances that have changed.

14 “(5) TECHNOLOGY ACCESSIBILITY.—The Secretary shall make the application under this section available through the prevalent technology. Such technology shall, at a minimum, enable applicants to—

19 “(A) save data; and

20 “(B) submit the application under this title to the Secretary through such technology.

22 “(6) VERIFICATION BURDEN.—The Secretary shall—

24 “(A) to the maximum extent practicable, streamline and simplify the process of

1 verification for applicants for Federal financial
2 aid;

3 “(B) in establishing policies and proce-
4 dures to verify applicants’ eligibility for Federal
5 financial aid, consider—

6 “(i) the burden placed on low-income
7 applicants;

8 “(ii) the risk to low-income applicants
9 of failing to enroll or complete from being
10 selected for verification;

11 “(iii) the effectiveness of the policies
12 and procedures in safeguarding against a
13 net cost to taxpayers; and

14 “(iv) the reasons for the source of any
15 improper payments; and

16 “(C) issue a report not less often than an-
17 nually sharing the percentage of applicants sub-
18 ject to verification, whether the applicants ulti-
19 mately received Federal financial aid disburse-
20 ments, and whether the student aid index
21 changed enough to affect the applicant’s award
22 of any Federal financial aid under this title.

23 “(c) DATA AND INFORMATION.—

24 “(1) IN GENERAL.—The Secretary shall publish
25 data in a publicly accessible manner—

1 “(A) annually on the total number of Free
2 Applications for Federal Student Aid submitted
3 by application cycle, disaggregated by demo-
4 graphic characteristics, type of institution or in-
5 stitutions of higher education to which the ap-
6 plicant applied, the applicant’s State of legal
7 residence, and high school and public school
8 district;

9 “(B) quarterly on the total number of Free
10 Applications for Federal Student Aid submitted
11 by application cycle, disaggregated by type of
12 institution or institutions of higher education to
13 which the applicant applied, the applicant’s
14 State of legal residence, and high school and
15 public school district;

16 “(C) weekly on the total number of Free
17 Applications for Federal Student Aid sub-
18 mitted, disaggregated by high school and public
19 school district; and

20 “(D) annually on the number of individ-
21 uals who apply for Federal financial aid pursu-
22 ant to this section who indicated they are a
23 homeless child or youth (as defined in section
24 725 of the McKinney-Vento Homeless Assist-

1 ance Act), an unaccompanied youth, or a foster
2 care youth.

3 “(2) CONTENTS.—The data described in para-
4 graph (1) with respect to homeless children and
5 youth shall include, at a minimum, for each applica-
6 tion cycle—

7 “(A) the total number of all applicants
8 who were determined to be individuals described
9 in section 480(d)(1)(H); and

10 “(B) the number of applicants described in
11 subparagraph (A), disaggregated—

12 “(i) by State; and

13 “(ii) by the sources of determination
14 as described in clauses (i) through (iv) of
15 section 480(d)(1)(H).

16 “(3) DATA SHARING.—The Secretary may enter
17 into data sharing agreements with the appropriate
18 Federal or State agencies to connect applicants with
19 the means-tested Federal benefit programs described
20 in subsection (a)(2)(B)(ii)(XV) for which the appli-
21 cants may be eligible.

22 “(d) ENSURING FORM USABILITY.—

23 “(1) SIGNATURE.—Notwithstanding any other
24 provision of this title, the Secretary may permit the
25 Free Application for Federal Student Aid to be sub-

1 mitted without a signature, if a signature is subse-
2 quently submitted by the applicant, or if the appli-
3 cant uses an access device provided by the Secretary.

4 “(2) FREE PREPARATION AUTHORIZED.—Not-
5 withstanding any provision of this title, an applicant
6 may use a preparer for consultative or preparation
7 services for the completion of the Free Application
8 for Federal Student Aid without charging a fee to
9 the applicant if the preparer—

10 “(A) includes, at the time the application
11 is submitted to the Department, the name, ad-
12 dress or employer’s address, social security
13 number or employer identification number, and
14 organizational affiliation of the preparer on the
15 applicant’s form;

16 “(B) is subject to the same penalties as an
17 applicant for purposely giving false or mis-
18 leading information in the application;

19 “(C) clearly informs each individual upon
20 initial contact, that the Free Application for
21 Federal Student Aid is a free form that may be
22 completed without professional assistance; and

23 “(D) does not produce, use, or disseminate
24 any other form for the purpose of applying for
25 Federal financial aid other than the Free Appli-

1 cation for Federal Student Aid form developed
2 by the Secretary under this section.

3 “(3) CHARGES TO STUDENTS AND PARENTS
4 FOR USE OF FORMS PROHIBITED.—The need and
5 eligibility of a student for financial assistance under
6 this title may be determined only by using the Free
7 Application for Federal Student Aid developed by
8 the Secretary under this section. Such application
9 shall be produced, distributed, and processed by the
10 Secretary, and no parent or student shall be charged
11 a fee by the Secretary, a contractor, a third-party
12 servicer or private software provider, or any other
13 public or private entity for the collection, processing,
14 or delivery of Federal financial aid through the use
15 of such application. No data collected on a form for
16 which a fee is charged shall be used to complete the
17 Free Application for Federal Student Aid prescribed
18 under this section, except that a Federal or State in-
19 come tax form prepared by a paid income tax pre-
20 parer or preparer service for the primary purpose of
21 filing a Federal or State income tax return may be
22 used to complete the Free Application for Federal
23 Student Aid prescribed under this section.

24 “(4) APPLICATION PROCESSING CYCLE.—The
25 Secretary shall enable students to submit a Free Ap-

1 plication for Federal Student Aid developed under
2 this section and initiate the processing of such appli-
3 cation, not later than January 1 of the student’s
4 planned year of enrollment, to the maximum extent
5 practicable, on or around October 1 prior to the stu-
6 dent’s planned year of enrollment.

7 “(5) EARLY ESTIMATES.—The Secretary shall
8 maintain an electronic method for applicants to
9 enter income and family size information to calculate
10 a non-binding estimate of the applicant’s Federal fi-
11 nancial aid available under this title and shall place
12 such calculator on a prominent location at the begin-
13 ning of the Free Application for Federal Student
14 Aid.”.

15 (n) STUDENT ELIGIBILITY.—Section 484 (20 U.S.C.
16 1091) is amended—

17 (1) by striking subsection (q) and inserting the
18 following:

19 “(q) USE OF INCOME DATA WITH IRS.—The Sec-
20 retary, in cooperation with the Secretary of the Treasury,
21 shall fulfill the data transfer requirements under section
22 6103(l)(13) of the Internal Revenue Code of 1986.”;

23 (2) by striking subsection (r);

24 (3) by redesignating subsections (s) and (t) as
25 subsections (r) and (s), respectively; and

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

2 “(t) EXCEPTION TO REQUIRED REGISTRATION WITH
3 THE SELECTIVE SERVICE SYSTEM.—Notwithstanding
4 section 12(f) of the Military Selective Service Act (50
5 U.S.C. 3811(f)), an individual shall not be ineligible for
6 assistance or a benefit provided under this title if the indi-
7 vidual is required under section 3 of such Act (50 U.S.C.
8 3802) to present himself for and submit to registration
9 under such section and fails to do so in accordance with
10 any proclamation issued under such section, or in accord-
11 ance with any rule or regulation issued under such sec-
12 tion.”.

13 (o) INSTITUTIONAL AND FINANCIAL ASSISTANCE IN-
14 FORMATION FOR STUDENTS.—Section 485 (20 U.S.C.
15 1092) is amended by striking subsection (k).

16 (p) EARLY AWARENESS OF FINANCIAL AID ELIGI-
17 BILITY.—Section 485E (20 U.S.C. 1092f) is amended to
18 read as follows:

19 **“SEC. 485E. EARLY AWARENESS OF FINANCIAL AID ELIGI-**
20 **BILITY.**

21 “(a) IN GENERAL.—The Secretary shall implement
22 early outreach activities in order to provide prospective
23 students and families with early information about finan-
24 cial aid and estimates of such prospective students’ eligi-
25 bility for financial aid. Such early outreach activities shall

1 include the activities described in subsections (b), (c), and
2 (d).

3 “(b) PELL GRANT EARLY AWARENESS.—

4 “(1) IN GENERAL.—The Secretary shall
5 produce a consumer-tested method of estimating stu-
6 dent eligibility for Federal Pell Grants outlined in
7 section 401(b) utilizing the variables of family size
8 and adjusted gross income, and presented in elec-
9 tronic format. There shall be a method for students
10 to indicate whether they are, or will be in—

11 “(A) a single parent household;

12 “(B) a household with two parents; or

13 “(C) a household with no children or de-
14 pendants.

15 “(2) CONSUMER TESTING.—

16 “(A) IN GENERAL.—The method of esti-
17 mating eligibility described in paragraph (1)
18 shall be consumer tested with prospective first-
19 generation students and families as well as low-
20 income individuals and families.

21 “(B) UPDATES.—For award year 2022–
22 2023 and each fourth succeeding award year
23 thereafter, the design of the method of esti-
24 mating eligibility shall be updated based on ad-

1 ditional consumer testing with the populations
2 described in subparagraph (A).

3 “(3) DISTRIBUTION.—The method of esti-
4 mating eligibility described in paragraph (1) shall
5 be—

6 “(A) made publicly and prominently avail-
7 able on the Department of Education website;
8 and

9 “(B) actively shared by the Secretary
10 with—

11 “(i) institutions of higher education
12 participating in programs under this title;

13 “(ii) all middle and secondary schools
14 eligible for funds under part A of title I of
15 the Elementary and Secondary Education
16 Act of 1965; and

17 “(iii) local educational agencies and
18 middle schools and secondary schools that
19 serve students not less than 25 percent of
20 whom meet a measure of poverty as de-
21 scribed in section 1113(a)(5) of the Ele-
22 mentary and Secondary Education Act of
23 1965.

24 “(4) ELECTRONIC ESTIMATOR.—In accordance
25 with subsection (d)(5) of section 483, the Secretary

1 shall maintain an electronic method for applicants to
2 enter income and family size information to calculate
3 a non-binding estimate of the applicant’s Federal fi-
4 nancial aid available under this title and shall place
5 such calculator on a prominent location on the
6 FAFSA website.

7 “(c) EARLY AWARENESS PLANS.—The Secretary
8 shall establish and implement early awareness plans to
9 provide early information about the availability of Federal
10 financial aid and estimates of prospective students’ eligi-
11 bility for Federal financial aid as well as to promote the
12 attainment of postsecondary education specifically among
13 prospective first-generation students and families as well
14 as low-income individuals and families, as follows:

15 “(1) AWARENESS PLANS FOR LOW-INCOME
16 CHILDREN.—

17 “(A) IN GENERAL.—The Secretary shall
18 develop plans to disseminate information about
19 the availability of Federal financial aid under
20 this title, in addition to and in coordination
21 with the distribution of the method of esti-
22 mating eligibility under subsection (b), to—

23 “(i) all middle schools and secondary
24 schools eligible for funds under part A of

1 title I of the Elementary and Secondary
2 Education Act of 1965;

3 “(ii) local educational agencies and
4 middle schools and high schools that serve
5 students not less than 25 percent of whom
6 meet a measure of poverty as described in
7 section 1113(a)(5) of the Elementary and
8 Secondary Education Act; and

9 “(iii) households receiving assistance
10 under the supplemental nutrition assist-
11 ance program established under the Food
12 and Nutrition Act of 2008 (7 U.S.C. 2011
13 et seq.).

14 “(B) REPORTING AND UPDATES.—The
15 Secretary shall post the information about the
16 plans under subparagraph (A) and associated
17 goals publicly on the Department of Education
18 website. On an annual basis, the Secretary shall
19 report qualitative and quantitative outcomes re-
20 garding the implementation of the plans under
21 subparagraph (A). The Secretary shall review
22 and update such plans not less often than every
23 4 award years with the goal of progressively in-
24 creasing the impact of the activities under this
25 paragraph.

1 “(C) PARTNERSHIP.—The Secretary may
2 partner with States, State systems of higher
3 education, institutions of higher education, or
4 college access organizations to carry out this
5 paragraph.

6 “(2) INTERAGENCY COORDINATION PLANS.—

7 “(A) IN GENERAL.—The Secretary shall
8 develop interagency coordination plans in order
9 to inform more prospective students and fami-
10 lies, including low-income individuals or fami-
11 lies, about the availability of Federal financial
12 aid under this title through participation in ex-
13 isting Federal programs or tax benefits that
14 serve low-income individuals or families, in co-
15 ordination with the following Secretaries:

16 “(i) The Secretary of the Treasury.

17 “(ii) The Secretary of Labor.

18 “(iii) The Secretary of Health and
19 Human Services.

20 “(iv) The Secretary of Agriculture.

21 “(v) The Secretary of Housing and
22 Urban Development.

23 “(vi) The Secretary of Commerce.

24 “(vii) The Secretary of Veterans Af-
25 fairs.

1 “(B) PROCESS, ACTIVITIES, AND GOALS.—

2 Each interagency coordination plan under sub-
3 paragraph (A) shall—

4 “(i) establish a process to identify op-
5 portunities in which low-income individuals
6 and families could be informed of the avail-
7 ability of Federal financial aid under this
8 title through access to other Federal pro-
9 grams that serve low-income individuals
10 and families;

11 “(ii) establish a process to identify
12 methods to effectively inform low-income
13 individuals and families of the availability
14 of Federal financial aid for postsecondary
15 education under this title;

16 “(iii) develop early awareness activi-
17 ties that align with the opportunities and
18 methods identified under clauses (ii) and
19 (iii); and

20 “(iv) establish goals regarding the ef-
21 fects of the activities to be implemented
22 under clause (iii).

23 “(C) REPORTING AND UPDATES.—The
24 Secretary shall post the information about the
25 interagency coordination plans under subpara-

1 graph (B) and associated goals publicly on the
2 Department of Education website. On not less
3 often than a quadrennial basis, the Secretary
4 shall publicly report qualitative and quantitative
5 outcomes regarding the implementation of the
6 plans on the Department of Education website.
7 The Secretary shall review and update the plans
8 not less often than upon each change in Secre-
9 tarial leadership with an agency that is party to
10 a plan. Updates to the plans shall have the goal
11 of progressively increasing the impact of the ac-
12 tivities under this paragraph by increasing the
13 number of low-income applicants for, and re-
14 cipients of, Federal financial aid.

15 “(3) NATIONWIDE PARTICIPATION IN EARLY
16 AWARENESS PLANS.—

17 “(A) IN GENERAL.—The Secretary shall
18 solicit voluntary public commitments from enti-
19 ties, such as States, State systems of higher
20 education, institutions of higher education, and
21 other interested organizations, to carry out
22 early awareness plans, which shall include
23 goals, to—

24 “(i) notify prospective and existing
25 students who are low-income individuals

1 and families about their eligibility for Fed-
2 eral aid under this title, as well as State-
3 based financial aid, if applicable, on an an-
4 nual basis;

5 “(ii) increase the number of prospec-
6 tive and current students who are low-in-
7 come individuals and families filing the
8 Free Application for Federal Student Aid;
9 and

10 “(iii) increase the number of prospec-
11 tive and current students who are low-in-
12 come individuals and families enrolling in
13 postsecondary education.

14 “(B) REPORTING AND UPDATES.—Each
15 entity that makes a voluntary public commit-
16 ment to carry out an early awareness plan may
17 submit quantitative and qualitative data based
18 on the entity’s progress toward the goals of the
19 plan annually prior to a date selected by the
20 Secretary.

21 “(C) EARLY AWARENESS CHAMPIONS.—
22 Based on data submitted by entities, the Sec-
23 retary shall select and designate entities sub-
24 mitting public commitments, plans, and goals,
25 as Early Awareness Champions on an annual

1 basis. Those entities designated as Early
2 Awareness Champions shall provide one or
3 more case studies regarding the activities the
4 entity undertook under this paragraph which
5 shall be made public by the Secretary on the
6 Department of Education website to promote
7 the spread of best practices.

8 “(d) PUBLIC AWARENESS CAMPAIGN.—

9 “(1) IN GENERAL.—The Secretary shall develop
10 and implement a public awareness campaign de-
11 signed using current and relevant independent re-
12 search regarding strategies and media platforms
13 found to be most effective in communicating with
14 low-income populations in order to increase national
15 awareness regarding the availability of Federal Pell
16 Grants and financial aid under this title.

17 “(2) COORDINATION.—The public awareness
18 campaign described in paragraph (1) shall leverage
19 the activities in subsections (b) and (c) to highlight
20 eligibility among low-income populations. In devel-
21 oping and implementing the campaign, the Secretary
22 may work in coordination with States, institutions of
23 higher education, early intervention and outreach
24 programs under this title, other Federal agencies,
25 organizations involved in college access and student

1 financial aid, secondary schools, local educational
 2 agencies, public libraries, community centers, busi-
 3 nesses, employers, workforce investment boards, and
 4 organizations that provide services to individuals
 5 that are or were homeless, in foster care, or are dis-
 6 connected youth.

7 “(3) REPORTING.—The Secretary shall report
 8 on the success of the public awareness campaign de-
 9 scribed in paragraph (1) annually regarding the ex-
 10 tent to which the public and target populations were
 11 reached using data commonly used to evaluate ad-
 12 vertising and outreach campaigns and data regard-
 13 ing whether the campaign produced any increase in
 14 applicants for Federal aid under this title publicly
 15 on the Department of Education website.”.

16 **SEC. 4. PROVIDING INCARCERATED INDIVIDUALS WITH**
 17 **FEDERAL PELL GRANTS.**

18 (a) IN GENERAL.—Section 484 (20 U.S.C. 1091), as
 19 amended by section 3(n), is further amended by adding
 20 at the end the following:

21 “(u) CONFINED OR INCARCERATED INDIVIDUALS.—

22 “(1) DEFINITIONS.—In this subsection:

23 “(A) CONFINED OR INCARCERATED INDI-
 24 VIDUAL.—The term ‘confined or incarcerated
 25 individual’ means an individual who is confined

1 or incarcerated in a Federal or State penal in-
2 stitution, a juvenile justice facility, or a local or
3 county jail.

4 “(B) ELIGIBLE PRISON EDUCATION PRO-
5 GRAM.—the term ‘eligible prison education pro-
6 gram’ means an education or training program
7 that—

8 “(i) is an eligible program under this
9 title; and

10 “(ii) has been approved to operate in
11 a correctional facility by the appropriate
12 State department of corrections or other
13 entity that is responsible for overseeing
14 correctional facilities or by the Bureau of
15 Prisons.

16 “(2) FEDERAL PELL GRANT ELIGIBILITY.—
17 Notwithstanding subsection (a), in order for a con-
18 fined or incarcerated individual who otherwise meets
19 the eligibility requirements of this title to be eligible
20 to receive a Federal Pell Grant under section 401,
21 the individual shall—

22 “(A) not be incarcerated with a sentence of
23 life without the possibility of parole; and

1 “(B) be enrolled or accepted for enrollment
2 in an eligible prison education program at an
3 institution of higher education.

4 “(3) INELIGIBILITY FOR OTHER ASSISTANCE
5 UNDER THIS ACT.—A confined or incarcerated indi-
6 vidual shall not be eligible to receive any other stu-
7 dent financial assistance under this Act except a
8 Federal Pell Grant in accordance with this sub-
9 section.

10 “(4) EVALUATION.—In order to evaluate and
11 improve the impact of activities supported under this
12 subsection, the Secretary, in partnership with the
13 Director of the Institute for Education Sciences,
14 shall award one or more grants to, or enter into one
15 or more cooperative agreements with, with experi-
16 enced public or private institutions and organiza-
17 tions to enable the institutions and organizations to
18 conduct an external evaluation that shall—

19 “(A) examine in-custody outcomes and
20 post-release outcomes relating to providing Fed-
21 eral Pell Grants to confined or incarcerated in-
22 dividuals, including—

23 “(i) progress towards credential at-
24 tainment;

1 “(ii) safety in prisons with eligible
2 prison education programs;

3 “(iii) the size of waiting lists for eligi-
4 ble prison education programs;

5 “(iv) the extent to which individuals
6 who were confined or incarcerated individ-
7 uals receiving Federal Pell Grants continue
8 their education post-release;

9 “(v) employment and earnings out-
10 comes for such individuals; and

11 “(vi) rates of recidivism for such indi-
12 viduals; and

13 “(B) track individuals who received Fed-
14 eral Pell Grants under this subsection for 1 to
15 3 years after the individuals’ release from con-
16 finement or incarceration.

17 “(5) REPORT.—Not later than 1 year after the
18 date of enactment of the Student Aid Improvement
19 Act of 2019 and on at least an annual basis there-
20 after, the Secretary shall submit to the authorizing
21 committees, and make publicly available on the
22 website of the Department, a report on the impact
23 of this subsection which shall include, at a min-
24 imum—

1 “(A) the names and types of institutions of
2 higher education offering eligible prison edu-
3 cation programs at which confined or incarcer-
4 ated individuals are enrolled and receiving Fed-
5 eral Pell grants;

6 “(B) the number of confined or incarcer-
7 ated individuals receiving Federal Pell grants;

8 “(C) the amount of Federal Pell grant ex-
9 penditures per eligible prison education pro-
10 gram;

11 “(D) the demographics of confined or in-
12 carcerated individuals receiving Federal Pell
13 Grants;

14 “(E) the cost of attendance for such indi-
15 viduals;

16 “(F) the mode of instruction (such as dis-
17 tance education, in-person instruction, or a
18 combination of such modes) for each prison
19 education program;

20 “(G) information on the academic out-
21 comes of such individuals (such as credits at-
22 tempted and earned, and credential and degree
23 completion); and

24 “(H) to the extent practicable, information
25 on post-release outcomes of such individuals

1 (such as continued postsecondary enrollment,
2 employment, and recidivism).”.

3 (b) **ELIMINATING FEDERAL PELL GRANT LIMITA-**
4 **TION.**—Section 401(b) (20 U.S.C. 1070a et seq.) is
5 amended—

6 (1) in paragraph (2)(A)(ii), by striking
7 “(7)(B)” and inserting “(6)(B)”;

8 (2) by striking paragraph (6); and

9 (3) by redesignating paragraphs (7) and (8) as
10 paragraphs (6) and (7), respectively.

11 (c) **EFFECTIVE DATE.**—This section, and the amend-
12 ments made by this section, shall take effect on July 1,
13 2020.

14 **SEC. 5. ALLOWING STUDENTS ENROLLED IN SHORT-TERM**
15 **PROGRAMS TO RECEIVE FEDERAL PELL**
16 **GRANTS.**

17 (a) **IN GENERAL.**—Section 481(b) (20 U.S.C.
18 1087vv(b)) is amended—

19 (1) by redesignating paragraphs (3) and (4) as
20 paragraphs (4) and (5), respectively; and

21 (2) by inserting after paragraph (2) the fol-
22 lowing:

23 “(3) **ELIGIBLE JOB TRAINING PROGRAM.**—

24 “(A) **WIOA DEFINITIONS.**—In this paragraph,
25 the terms ‘in-demand industry sector or occupation’,

1 ‘industry or sector partnership’, ‘local board’, ‘recog-
2 nized postsecondary credential’, and ‘State board’
3 have the meanings given such terms in section 3 of
4 the Workforce Innovation and Opportunity Act (29
5 U.S.C. 3102).

6 “(B) ELIGIBILITY OF JOB TRAINING PRO-
7 GRAM.—An eligible job training program is an eligi-
8 ble program for the purposes of section 401 if it is
9 a program—

10 “(i) of not less than 150, and not more
11 than 600, clock hours of instruction offered by
12 an institution of higher education during a pe-
13 riod of not less than 8 weeks and not more than
14 15 weeks; and

15 “(ii) that—

16 “(I) provides training aligned with the
17 requirements of high-skill, high-wage, or
18 in-demand industry sectors or occupations
19 in the State or local area;

20 “(II) provides a student, upon comple-
21 tion of the program, with a recognized
22 postsecondary credential that is recognized
23 by employers in the relevant industry, in-
24 cluding credentials recognized by industry
25 or sector partnerships in the relevant in-

1 industry in the State or local area where the
2 industry is located and the job training
3 program is provided;

4 “(III) has been determined by the in-
5 stitution of higher education (after valida-
6 tion of that determination by a State
7 board, local board, or an industry or sector
8 partnership) to provide academic content,
9 an amount of instructional time, and a rec-
10 ognized postsecondary credential that are
11 sufficient to—

12 “(aa) meet the hiring require-
13 ments of potential employers; and

14 “(bb) satisfy any applicable edu-
15 cational prerequisite requirement for
16 professional licensure or certification;

17 “(IV) does not exceed by more than
18 50 percent the minimum number of clock
19 hours required for training for the occupa-
20 tion, if the State has established such a re-
21 quirement;

22 “(V)(aa) has published tuition and
23 fees for each of the 3 preceding award
24 years that have not increased above the
25 annual rate of inflation (as determined by

1 the Consumer Price Index of the Depart-
2 ment of Labor) for the corresponding year;
3 and

4 “(bb) for each year while receiving
5 funds under section 401, will publish tui-
6 tion and fees for the year, which will not
7 increase above the rate of inflation, as so
8 determined, for the corresponding year;
9 and

10 “(VI) demonstrates outcomes for the
11 most recent year that meet the level of per-
12 formance or State adjusted level of per-
13 formance for the State in which the insti-
14 tution of higher education is located for
15 the following primary indicators of per-
16 formance under section 116(b) of the
17 Workforce Innovation and Opportunity Act
18 for such year:

19 “(aa) The percentage of program
20 participants who are in unsubsidized
21 employment during the second quarter
22 after exit from the program.

23 “(bb) The percentage of program
24 participants who are in unsubsidized

1 employment during the fourth quarter
2 after exit from the program.

3 “(cc) The percentage of program
4 participants who are in an education
5 or training program that leads to a
6 recognized postsecondary credential or
7 employment and who are achieving
8 measurable skill gains toward such a
9 credential or employment.

10 “(C) APPROVAL BY THE SECRETARY.—In the
11 case of a program that is seeking to establish eligi-
12 bility as an eligible job training program under this
13 paragraph, the Secretary shall make a determination
14 about whether the program meets the requirements
15 of subparagraph (B) not more than 60 days after
16 the date on which the institution submitted the pro-
17 gram for consideration as an eligible job training
18 program.

19 “(D) AMOUNT OF AWARD AND INCLUSION IN
20 TOTAL ELIGIBILITY PERIOD.—

21 “(i) INCLUSION IN TOTAL ELIGIBILITY PE-
22 RIOD.—Any period during which a student re-
23 ceives a Federal Pell Grant under this para-
24 graph shall be included in calculating the stu-

1 dent’s period of eligibility for Federal Pell
2 Grants under section 401(d)(5).

3 “(E) INTERAGENCY DATA SHARING.—For the
4 purposes of subparagraph (B)(ii)(VI), the Secretary
5 may coordinate and enter into a data sharing agree-
6 ment with the Secretary of Labor to ensure access
7 to data on indicators of performance collected under
8 section 116 of the Workforce Innovation and Oppor-
9 tunity Act (29 U.S.C. 3141).”.

10 (b) EFFECTIVE DATE.—This section shall take effect
11 on July 1, 2021.

12 **SEC. 6. SUPPORTING STUDENT AFFORDABILITY BY INVEST-**
13 **ING IN THE FEDERAL PELL GRANT.**

14 Section 401 (20 U.S.C. 1070a) is amended—

15 (1) in subsection (a)(1), by striking “2017” and
16 inserting “2021”; and

17 (2) in subsection (c)(7)(C)—

18 (A) in each of clauses (i)(I) and (ii)(I), by
19 striking “(iv)(II)” and inserting “(v)(II)”;

20 (B) in clause (iii)—

21 (i) by striking the clause heading and
22 inserting “AWARD YEARS 2018–2019 AND
23 2019–2020.—”; and

24 (ii) by striking “and each subsequent
25 award year”;

1 (C) by redesignating clause (iv) as clause
2 (v); and

3 (D) by inserting after clause (iii) the fol-
4 lowing:

5 “(iv) AWARD YEAR 2020–2021 AND
6 SUBSEQUENT AWARD YEARS.—For award
7 year 2020–2021 and each subsequent
8 award year, the amount determined under
9 this subparagraph for purposes of subpara-
10 graph (B)(iii) shall be equal to \$1,080.”.

11 **SEC. 7. FEDERAL PELL GRANTS: AMOUNT AND DETERMINA-**
12 **TIONS; APPLICATIONS.**

13 (a) FEDERAL PELL GRANTS.—Beginning on the ef-
14 fective date described in subsection (b), section 401 (20
15 U.S.C. 1070a), as amended by sections 5 and 6, is further
16 amended to read as follows:

17 **“SEC. 401. FEDERAL PELL GRANTS: AMOUNT AND DETER-**
18 **MINATIONS; APPLICATIONS.**

19 “(a) PURPOSE; DEFINITIONS.—

20 “(1) PURPOSE.—The purpose of this subpart is
21 to provide a Federal Pell Grant to low-income stu-
22 dents.

23 “(2) DEFINITIONS.—In this section—

24 “(A) the term ‘adjusted gross income’
25 means—

1 “(i) in the case of a dependent stu-
2 dent, the adjusted gross income (as defined
3 in section 62 of the Internal Revenue Code
4 of 1986) of the student’s parents in the
5 second tax year preceding the academic
6 year; and

7 “(ii) in the case of an independent
8 student, the adjusted gross income (as de-
9 fined in section 62 of the Internal Revenue
10 Code of 1986) of the student (and the stu-
11 dent’s spouse, if applicable) in the second
12 tax year preceding the academic year;

13 “(B) the term ‘family size’ has the mean-
14 ing given the term in section 480(l);

15 “(C) the term ‘poverty line’ means the pov-
16 erty line (as determined under the poverty
17 guidelines updated periodically in the Federal
18 Register by the Department of Health and
19 Human Services under the authority of section
20 673(2) of the Community Services Block Grant
21 Act (42 U.S.C. 9902(2))) applicable to the stu-
22 dent’s family size and applicable to the second
23 tax year preceding the academic year;

24 “(D) the term ‘single parent’ means—

1 “(i) a parent of a dependent student
2 who was a head of household (as defined
3 in section 2(b) of the Internal Revenue
4 Code of 1986) or a surviving spouse (as
5 defined in section 2(a) of the Internal Revenue
6 Code of 1986) or was an eligible individual
7 for purposes of the credit under section
8 32 of such Code, in the second tax
9 year preceding the academic year; or

10 “(ii) an independent student who was
11 a head of household (as defined in section
12 2(b) of the Internal Revenue Code of
13 1986) or a surviving spouse (as defined in
14 section 2(a) of the Internal Revenue Code
15 of 1986) or was an eligible individual for
16 purposes of the credit under section 32 of
17 such Code, in the second tax year preceding
18 the academic year;

19 “(E) the term ‘total maximum Federal
20 Pell Grant’ means the total maximum Federal
21 Pell Grant award per student for any academic
22 year described under paragraph (5); and

23 “(F) the term ‘minimum Federal Pell
24 Grant’ means the minimum amount of a Federal
25 Pell Grant that shall be awarded to a stu-

1 dent eligible under this subpart for any aca-
2 ademic year in which that student is attending
3 full time, which shall be equal to 10 percent of
4 the total maximum Federal Pell Grant for such
5 academic year.

6 “(b) AMOUNT AND DISTRIBUTION OF GRANTS.—

7 “(1) DETERMINATION OF AMOUNT OF A FED-
8 ERAL PELL GRANT.—Subject to paragraphs (2) and
9 (3), the amount of a Federal Pell Grant for a stu-
10 dent eligible under this subpart shall be determined
11 in accordance with the following:

12 “(A) A student eligible under this subpart
13 shall be eligible for a total maximum Federal
14 Pell Grant for an academic year in which the
15 student is enrolled in an eligible program full
16 time—

17 “(i) if the student or, in the case of
18 a dependent student, the dependent stu-
19 dent’s parent, is not required to file a Fed-
20 eral income tax return in the second year
21 preceding the academic year;

22 “(ii) if the student or, in the case of
23 a dependent student, the dependent stu-
24 dent’s parent, is a single parent, if the ad-

1 justed gross income is equal to or less than
2 210 percent of the poverty line; or

3 “(iii) if the student or, in the case of
4 a dependent student, the dependent stu-
5 dent’s parent, is not a single parent, if the
6 adjusted gross income is equal to or less
7 than 160 percent of the poverty line.

8 “(B) A student eligible under this subpart
9 who is not eligible for a total maximum Federal
10 Pell Grant under subparagraph (A) for an aca-
11 demic year, shall be eligible for a Federal Pell
12 Grant for an academic year in which the stu-
13 dent is enrolled in an eligible program full time
14 in an amount that is not more than the amount
15 determined in accordance with the following:

16 “(i) If the student or, in the case of
17 a dependent student, the dependent stu-
18 dent’s parent, is a single parent and the
19 adjusted gross income is greater than 210
20 percent of the poverty line and is less than
21 310 percent of the poverty line, the
22 amount shall be equal to the greater of—

23 “(I) the minimum Federal Pell
24 Grant for the academic year; and

1 “(II) the total maximum Federal
2 Pell Grant for the academic year,
3 minus the product of—

4 “(aa) the adjusted gross in-
5 come, less an amount equal to
6 210 percent of the poverty line;
7 and

8 “(bb) the total maximum
9 Federal Pell Grant for the aca-
10 demic year, divided by an amount
11 equal to 100 percent of the pov-
12 erty line.

13 “(ii) If the student or, in the case of
14 a dependent student, the dependent stu-
15 dent’s parent, is not a single parent and
16 the adjusted gross income is greater than
17 160 percent of the poverty line and is less
18 than 260 percent of the poverty line, the
19 amount shall be equal to the greater of—

20 “(I) the minimum Federal Pell
21 Grant for the academic year; and

22 “(II) the total maximum Federal
23 Pell Grant for the academic year,
24 minus the product of—

1 “(aa) the adjusted gross in-
2 come, less an amount equal to
3 160 percent of the poverty line;
4 and

5 “(bb) the total maximum
6 Federal Pell Grant for the aca-
7 demic year, divided by an amount
8 equal to 100 percent of the pov-
9 erty line.

10 “(2) LESS THAN FULL-TIME ENROLLMENT.—In
11 any case where a student is enrolled in an eligible
12 program of an institution of higher education on less
13 than a full-time basis (including a student who at-
14 tends an institution of higher education on less than
15 a half-time basis) during any academic year, the
16 amount of the Federal Pell Grant to which that stu-
17 dent is entitled shall be reduced in direct proportion
18 to the degree to which that student is not so enrolled
19 on a full-time basis, rounded to the nearest whole
20 percentage point, as provided in a schedule of reduc-
21 tions published by the Secretary computed in accord-
22 ance with this subpart. Such schedule of reductions
23 shall be published in the Federal Register in accord-
24 ance with section 482 of this Act. Such reduced
25 Federal Pell Grant for a student enrolled on a less

1 than full-time basis shall also apply proportionally to
2 students who are otherwise eligible to receive the
3 minimum Federal Pell Grant, if enrolled full-time.

4 “(3) AWARD MAY NOT EXCEED COST OF AT-
5 TENDANCE.—No Federal Pell Grant under this sub-
6 part shall exceed the cost of attendance (as defined
7 in section 472) at the institution at which that stu-
8 dent is in attendance. If, with respect to any stu-
9 dent, it is determined that the amount of a Federal
10 Pell Grant for that student exceeds the cost of at-
11 tendance for that year, the amount of the Federal
12 Pell Grant shall be reduced until the Federal Pell
13 Grant does not exceed the cost of attendance at such
14 institution.

15 “(4) STUDY ABROAD.—Notwithstanding any
16 other provision of this subpart, the Secretary shall
17 allow the amount of the Federal Pell Grant to be ex-
18 ceeded for students participating in a program of
19 study abroad approved for credit by the institution
20 at which the student is enrolled when the reasonable
21 costs of such program are greater than the cost of
22 attendance at the student’s home institution, except
23 that the amount of such Federal Pell Grant in any
24 fiscal year shall not exceed the maximum amount of
25 a Federal Pell Grant for which a student is eligible

1 under paragraph (1) or (2) during such award year.
2 If the preceding sentence applies, the financial aid
3 administrator at the home institution may use the
4 cost of the study abroad program, rather than the
5 home institution's cost, to determine the cost of at-
6 tendance of the student.

7 “(5) TOTAL MAXIMUM FEDERAL PELL
8 GRANT.—

9 “(A) IN GENERAL.—For award year 2021–
10 2022, and each subsequent award year, the
11 total maximum Federal Pell Grant award per
12 student shall be equal to the sum of—

13 “(i) \$1,080; and

14 “(ii) the amount specified as the max-
15 imum Federal Pell Grant in the last en-
16 acted appropriation Act applicable to that
17 award year.

18 “(B) ROUNDING.—The total maximum
19 Federal Pell Grant for any award year shall be
20 rounded to the nearest \$5.

21 “(6) FUNDS BY FISCAL YEAR.—To carry out
22 this section for each of fiscal years 2021 through
23 2030—

24 “(A) there are authorized to be appro-
25 priated and are appropriated (in addition to

1 any other amounts appropriated to carry out
2 this section and out of any money in the Treas-
3 ury not otherwise appropriated) such sums as
4 are necessary to carry out paragraph (5)(A)(i);
5 and

6 “(B) such sums as may be necessary are
7 authorized to be appropriated to carry out
8 paragraph (5)(A)(ii).

9 “(7) APPROPRIATION.—

10 “(A) IN GENERAL.—In addition to any
11 funds appropriated under paragraph (6) and
12 any funds made available for this section under
13 any appropriations Act, there are authorized to
14 be appropriated, and there are appropriated
15 (out of any money in the Treasury not other-
16 wise appropriated) to carry out this section,
17 \$1,145,000,000 for fiscal year 2021 and each
18 subsequent award year.

19 “(B) NO EFFECT ON PREVIOUS APPRO-
20 PRIATIONS.—The amendments made to this
21 section by the Student Aid Improvement Act of
22 2019 shall not—

23 “(i) increase or decrease the amounts
24 that have been appropriated or are avail-
25 able to carry out this section for fiscal year

1 2017, 2018, 2019, or 2020 as of the day
2 before the effective date of such Act; or

3 “(ii) extend the period of availability
4 for obligation that applied to any such
5 amount, as of the day before such effective
6 date.

7 “(8) METHOD OF DISTRIBUTION.—

8 “(A) IN GENERAL.—For each fiscal year
9 through fiscal year 2030, the Secretary shall
10 pay to each eligible institution such sums as
11 may be necessary to pay each eligible student
12 for each academic year during which that stu-
13 dent is in attendance at an institution of higher
14 education as an undergraduate, a Federal Pell
15 Grant in the amount for which that student is
16 eligible.

17 “(B) ALTERNATIVE DISBURSEMENT.—
18 Nothing in this section shall be interpreted to
19 prohibit the Secretary from paying directly to
20 students, in advance of the beginning of the
21 academic term, an amount for which they are
22 eligible, in the cases where an eligible institu-
23 tion does not participate in the disbursement
24 system under subparagraph (A).

1 “(9) ADDITIONAL PAYMENT PERIODS IN SAME
2 AWARD YEAR.—

3 “(A) Effective in the 2017–2018 award
4 year and thereafter, the Secretary shall award
5 an eligible student not more than one and one-
6 half Federal Pell Grants during a single award
7 year to permit such student to work toward
8 completion of an eligible program if, during
9 that single award year, the student has received
10 a Federal Pell Grant for an award year and is
11 enrolled in an eligible program for one or more
12 additional payment periods during the same
13 award year that are not otherwise fully covered
14 by the student’s Federal Pell Grant.

15 “(B) In the case of a student receiving
16 more than one Federal Pell Grant in a single
17 award year under subparagraph (A), the total
18 amount of Federal Pell Grants awarded to such
19 student for the award year may exceed the total
20 maximum Federal Pell Grant available for an
21 award year.

22 “(C) Any period of study covered by a
23 Federal Pell Grant awarded under subpara-
24 graph (A) shall be included in determining a

1 student's duration limit under subsection
2 (d)(5).

3 “(D) In any case where an eligible student
4 is receiving a Federal Pell Grant for a payment
5 period that spans 2 award years, the Secretary
6 shall allow the eligible institution in which the
7 student is enrolled to determine the award year
8 to which the additional period shall be assigned,
9 as it determines is most beneficial to students.

10 “(c) SPECIAL RULE.—

11 “(1) IN GENERAL.—Notwithstanding any other
12 provision of this title, the total maximum Federal
13 Pell Grant shall be provided to a student described
14 in paragraph (2).

15 “(2) APPLICABILITY.—Paragraph (1) shall
16 apply to any dependent or independent student—

17 “(A) who is eligible to receive a Federal
18 Pell Grant for the award year for which the de-
19 termination is made;

20 “(B) whose parent or guardian was—

21 “(i) an individual who, on or after
22 September 11, 2001, died in the line of
23 duty while serving on active duty as a
24 member of the Armed Forces; or

1 “(ii) actively serving as a public safety
2 officer and died in the line of duty while
3 performing as a public safety officer; and
4 “(C) who is less than 33 years of age.

5 “(3) INFORMATION.—Notwithstanding any
6 other provision of law, the Secretary shall establish
7 the necessary data-sharing agreements with the Sec-
8 retary of Veterans Affairs and the Secretary of De-
9 fense, as appropriate, to provide the information
10 necessary to determine which students meet the re-
11 quirements of paragraph (2).

12 “(4) TREATMENT OF PELL AMOUNT.—Notwith-
13 standing section 1212 of the Omnibus Crime Control
14 and Safe Streets Act of 1968 (34 U.S.C. 10302), in
15 the case of a student who receives an increased Fed-
16 eral Pell Grant amount under this section, the total
17 amount of such Federal Pell Grant, including the in-
18 crease under this subsection, shall not be considered
19 in calculating that student’s educational assistance
20 benefits under the Public Safety Officers’ Benefits
21 program under subpart 2 of part L of title I of such
22 Act.

23 “(5) DEFINITION OF PUBLIC SAFETY OFFI-
24 CER.—For purposes of this subsection, the term
25 ‘public safety officer’ means—

1 “(A) a public safety officer, as defined in
2 section 1204 of title I of the Omnibus Crime
3 Control and Safe Streets Act of 1968 (34
4 U.S.C. 10284); or

5 “(B) a fire police officer, defined as an in-
6 dividual who—

7 “(i) is serving in accordance with
8 State or local law as an officially recog-
9 nized or designated member of a legally or-
10 ganized public safety agency;

11 “(ii) is not a law enforcement officer,
12 a firefighter, a chaplain, or a member of a
13 rescue squad or ambulance crew; and

14 “(iii) provides scene security or di-
15 rects traffic—

16 “(I) in response to any fire drill,
17 fire call, or other fire, rescue, or police
18 emergency; or

19 “(II) at a planned special event.

20 “(d) PERIOD OF ELIGIBILITY FOR GRANTS.—

21 “(1) IN GENERAL.—The period during which a
22 student may receive Federal Pell Grants shall be the
23 period required for the completion of the first under-
24 graduate baccalaureate course of study being pur-
25 sued by that student at the institution at which the

1 student is in attendance, except that any period dur-
2 ing which the student is enrolled in a noncredit or
3 remedial course of study, as described in paragraph
4 (2), shall not be counted for the purpose of this
5 paragraph.

6 “(2) NONCREDIT OR REMEDIAL COURSES;
7 STUDY ABROAD.—Nothing in this section shall ex-
8 clude from eligibility courses of study which are non-
9 credit or remedial in nature (including courses in
10 English language instruction) which are determined
11 by the institution to be necessary to help the student
12 be prepared for the pursuit of a first undergraduate
13 baccalaureate degree or certificate or, in the case of
14 courses in English language instruction, to be nec-
15 essary to enable the student to utilize already exist-
16 ing knowledge, training, or skills. Nothing in this
17 section shall exclude from eligibility programs of
18 study abroad that are approved for credit by the
19 home institution at which the student is enrolled.

20 “(3) NO CONCURRENT PAYMENTS.—No student
21 is entitled to receive Pell Grant payments concur-
22 rently from more than one institution or from the
23 Secretary and an institution.

24 “(4) POSTBACCALAUREATE PROGRAM.—Not-
25 withstanding paragraph (1), the Secretary may

1 allow, on a case-by-case basis, a student to receive
2 a Federal Pell Grant if the student—

3 “(A) is carrying at least one-half the nor-
4 mal full-time work load for the course of study
5 the student is pursuing, as determined by the
6 institution of higher education; and

7 “(B) is enrolled or accepted for enrollment
8 in a postbaccalaureate program that does not
9 lead to a graduate degree, and in courses re-
10 quired by a State in order for the student to re-
11 ceive a professional certification or licensing
12 credential that is required for employment as a
13 teacher in an elementary school or secondary
14 school in that State,

15 except that this paragraph shall not apply to a stu-
16 dent who is enrolled in an institution of higher edu-
17 cation that offers a baccalaureate degree in edu-
18 cation.

19 “(5) MAXIMUM PERIOD.—

20 “(A) IN GENERAL.—Except as provided in
21 subparagraph (B), the period during which a
22 student may receive Federal Pell Grants shall
23 not exceed 12 semesters, or the equivalent of 12
24 semesters, as determined by the Secretary by
25 regulation. Such regulations shall provide, with

1 respect to a student who received a Federal Pell
2 Grant for a term but was enrolled at a fraction
3 of full time, that only that same fraction of
4 such semester or equivalent shall count towards
5 such duration limits.

6 “(B) EXCEPTION.—

7 “(i) IN GENERAL.—Any Federal Pell
8 Grant that a student received during a pe-
9 riod described in subclause (I) or (II) of
10 clause (ii) shall not count towards the stu-
11 dent’s duration limits under this para-
12 graph.

13 “(ii) APPLICABLE PERIODS.—Clause
14 (i) shall apply with respect to any Federal
15 Pell Grant awarded to a student to enroll
16 in an eligible program at an institution—

17 “(I) during a period of a stu-
18 dent’s attendance at an institution—

19 “(aa) at which the student
20 was unable to complete a course
21 of study due to the closing of the
22 institution; or

23 “(bb) for which the student
24 was falsely certified as eligible for
25 Federal aid under this title; or

1 “(II) during a period—

2 “(aa) for which the student
3 received a loan under this title;
4 and

5 “(bb) for which the loan de-
6 scribed in item (aa) is discharged
7 under—

8 “(AA) section 437(c)(1)
9 or section 464(g)(1); or

10 “(BB) section
11 432(a)(6).

12 “(e) APPLICATIONS FOR GRANTS.—

13 “(1) DEADLINES.—The Secretary shall from
14 time to time set dates by which students shall file
15 the Free Application for Federal Student Aid under
16 this subpart.

17 “(2) APPLICATION.—Each student desiring a
18 Federal Pell Grant for any year shall file application
19 the Free Application for Federal Student Aid con-
20 taining such information and assurances as the Sec-
21 retary may determine are necessary to enable the
22 Secretary to carry out the functions and responsibil-
23 ities of this subpart.

24 “(f) DISTRIBUTION OF GRANTS TO STUDENTS.—

25 Payments under this section shall be made in accordance

1 with regulations promulgated by the Secretary for such
2 purpose, in such manner as will best accomplish the pur-
3 pose of this section. Any disbursement allowed to be made
4 by crediting the student's account shall be limited to tui-
5 tion and fees, and food and housing if that food and hous-
6 ing is institutionally owned or operated. The student may
7 elect to have the institution provide other such goods and
8 services by crediting the student's account.

9 “(g) INSUFFICIENT APPROPRIATIONS.—If, for any
10 fiscal year, the funds appropriated for payments under
11 this subpart are insufficient to satisfy fully all entitle-
12 ments, as calculated under subsection (b) (but at the max-
13 imum grant level specified in such appropriation), the Sec-
14 retary shall promptly transmit a notice of such insuffi-
15 ciency to each House of the Congress, and identify in such
16 notice the additional amount that would be required to
17 be appropriated to satisfy fully all entitlements (as so cal-
18 culated at such maximum grant level).

19 “(h) USE OF EXCESS FUNDS.—

20 “(1) 15 PERCENT OR LESS.—If, at the end of
21 a fiscal year, the funds available for making pay-
22 ments under this subpart exceed the amount nec-
23 essary to make the payments required under this
24 subpart to eligible students by 15 percent or less,
25 then all of the excess funds shall remain available

1 for making payments under this subpart during the
2 next succeeding fiscal year.

3 “(2) MORE THAN 15 PERCENT.—If, at the end
4 of a fiscal year, the funds available for making pay-
5 ments under this subpart exceed the amount nec-
6 essary to make the payments required under this
7 subpart to eligible students by more than 15 per-
8 cent, then all of such funds shall remain available
9 for making such payments but payments may be
10 made under this paragraph only with respect to enti-
11 tlements for that fiscal year.

12 “(i) TREATMENT OF INSTITUTIONS AND STUDENTS
13 UNDER OTHER LAWS.—Any institution of higher edu-
14 cation which enters into an agreement with the Secretary
15 to disburse to students attending that institution the
16 amounts those students are eligible to receive under this
17 subpart shall not be deemed, by virtue of such agreement,
18 a contractor maintaining a system of records to accom-
19 plish a function of the Secretary. Recipients of Pell Grants
20 shall not be considered to be individual grantees for pur-
21 poses of subtitle D of title V of Public Law 100–690.

22 “(j) INSTITUTIONAL INELIGIBILITY BASED ON DE-
23 FAULT RATES.—

24 “(1) IN GENERAL.—No institution of higher
25 education shall be an eligible institution for purposes

1 of this subpart if such institution of higher edu-
2 cation is ineligible to participate in a loan program
3 under part B or D as a result of a final default rate
4 determination made by the Secretary under part B
5 or D after the final publication of cohort default
6 rates for fiscal year 1996 or a succeeding fiscal year.

7 “(2) SANCTIONS SUBJECT TO APPEAL OPPOR-
8 TUNITY.—No institution may be subject to the
9 terms of this subsection unless the institution has
10 had the opportunity to appeal the institution’s de-
11 fault rate determination under regulations issued by
12 the Secretary for the loan program authorized under
13 part B or D, as applicable. This subsection shall not
14 apply to an institution that was not participating in
15 the loan program authorized under part B or D on
16 October 7, 1998, unless the institution subsequently
17 participates in the loan programs.”.

18 (b) EFFECTIVE DATE.—This section, and the amend-
19 ments made by this section, shall take effect on July 1,
20 2021.

1 **SEC. 8. MAKING INSTITUTIONAL STUDENT AID AWARD LET-**
2 **TERS COMPARABLE AND EASIER TO UNDER-**
3 **STAND.**

4 Section 485 (20 U.S.C. 1092), as amended by section
5 3(o), is amended by inserting after subsection (j) the fol-
6 lowing:

7 “(k) **CONSUMER INFORMATION FOR FINANCIAL AID**
8 **RECIPIENTS.**—

9 “(1) **STANDARD FORMAT AND TERMINOLOGY**
10 **FOR FINANCIAL AID OFFERS.**—The Secretary of
11 Education, in consultation with the heads of relevant
12 Federal agencies, shall develop standard terminology
13 and a standard format for financial aid offers (in-
14 cluding a uniform title used to describe the applica-
15 ble document) based on recommendations from rep-
16 resentatives of students, veterans, servicemembers,
17 students’ families, institutions of higher education
18 (including community colleges, for-profit institutions,
19 4-year public institutions, and 4-year private non-
20 profit institutions), financial aid experts, secondary
21 school and postsecondary counselors, nonprofit orga-
22 nizations, and consumer groups.

23 “(2) **KEY REQUIRED CONTENTS FOR FINANCIAL**
24 **AID OFFER.**—The standard format developed under
25 paragraph (1) shall be presented in a consumer-
26 friendly manner that is simple and understandable.

1 The standard format shall include the following
2 items clearly separated from each other with separate
3 headings, and, if in a format designed for paper
4 shall be listed on the first page of the financial aid
5 offer and if in a format designed for digital viewing
6 shall be listed first:

7 “(A) COST INFORMATION.—

8 “(i) Information on the student’s estimated
9 annual cost of attendance, including
10 the following:

11 “(I) Total direct costs, including
12 the component annual totals each
13 for—

14 “(aa) tuition and fees, as
15 determined under section 472;
16 and

17 “(bb) institutionally owned
18 or operated housing and food
19 costs (as determined based on
20 the costs for housing and food
21 under section 472).

22 “(II) Total estimated other annual
23 expenses, including—

24 “(aa) the component totals
25 each for housing and food costs

1 for students who do not reside on
2 campus, as determined under
3 section 472(3)(D); and

4 “(bb) for all students, books,
5 supplies, transportation, miscella-
6 neous personal expenses, health
7 insurance (if applicable), and
8 child care (if applicable), as de-
9 termined under section 472.

10 “(ii) An indication of the academic pe-
11 riod covered by the financial aid offer rel-
12 ative to the published program length, and
13 an explanation that the financial aid of-
14 fered may change for academic periods not
15 covered by the aid offer.

16 “(iii) An indication of whether cost
17 and aid estimates are based on full-time or
18 part-time enrollment.

19 “(iv) An indication, as applicable,
20 about whether the tuition and fees are esti-
21 mated based on the previous year, or are
22 set, for the academic period covered by the
23 financial aid offer indicated in accordance
24 with clause (ii).

1 “(B) GRANT AND SCHOLARSHIP AID.—The
2 amount and source of financial aid that the stu-
3 dent does not have to repay, such as scholar-
4 ships, grant aid offered under this title, grant
5 aid offered through other Federal programs, or
6 grant aid offered by the institution, a State, or,
7 if known, an outside source to the student for
8 such academic period, including—

9 “(i) a disclosure that the financial aid
10 does not have to be repaid; and

11 “(ii) if institutional aid is included—

12 “(I) the conditions under which
13 the student can expect to receive simi-
14 lar amounts of such financial aid for
15 each academic period the student is
16 enrolled at the institution; and

17 “(II) whether the institutional
18 aid offer may change if grants or
19 scholarships from outside sources are
20 applied after the student receives the
21 offer, and, if applicable, how that aid
22 will change.

23 “(C) ANNUAL NET PRICE.—

24 “(i) The net price that the student, or
25 the student’s family on behalf of the stu-

1 dent, is estimated to have to pay for the
2 student to attend the institution for such
3 academic period, equal to—

4 “(I) the cost of attendance as de-
5 scribed in subparagraph (A)(i) for the
6 student for the period indicated in
7 subparagraph (A)(ii); and

8 “(II) minus the amount of grant
9 aid described in subparagraph (B)
10 that is included in the financial aid
11 offer.

12 “(ii) A disclosure that the net price is
13 an estimate of the total expenses for the
14 year and not the amount that the student
15 will owe directly to the institution.

16 “(D) WORK-STUDY.—Information on
17 work-study employment opportunities, offered
18 in accordance with part C.

19 “(i) This information shall include—

20 “(I) the amount of work-study
21 offered;

22 “(II) a disclosure that the work-
23 study aid offered is subject to the
24 availability of qualified employment
25 opportunities;

1 “(III) a statement that work-
2 study aid does not need to be repaid
3 and can offset the need to borrow;
4 and

5 “(IV) a disclosure that work-
6 study is disbursed over time as earned
7 by the student.

8 “(ii) Work-study employment opportu-
9 nities (or a student’s potential income
10 based on those opportunities) shall not be
11 included in the category of financial aid
12 described under subparagraph (B).

13 “(E) LOANS.—

14 “(i) Information on the amount of
15 loans under part D (except a Federal Di-
16 rect PLUS Loan under part D) that the
17 institution recommends for the student for
18 the academic period covered by the offer,
19 which shall be made—

20 “(I) with clear use of the word
21 ‘loan’ to describe the recommended
22 loan amounts; and

23 “(II) with clear labeling of sub-
24 sidized and unsubsidized loans.

1 “(ii) A disclosure that such loans have
2 to be repaid and a disclosure that the stu-
3 dent can borrow a lesser or, if applicable,
4 greater amount than the recommended
5 loan amount.

6 “(iii) If an institution’s recommended
7 Federal student loan amount is less than
8 the Federal maximum available to the stu-
9 dent, the institution shall clearly state the
10 applicable loan limit for Federal student
11 loans for which the student is eligible and
12 a prominent recommendation that students
13 should exhaust any Federal student loan
14 eligibility before taking out private edu-
15 cation loans.

16 “(iv) A disclosure that the interest
17 rates and fees on such loans are set annu-
18 ally and affect total cost over time, and a
19 link to electronic information by the De-
20 partment of Education that includes cur-
21 rent information on interest rates and fees.

22 “(v) A link to the Department of
23 Education’s electronic repayment calcu-
24 lator for students with instruction that this
25 calculator contains customizable estimates

1 of expected repayment costs under dif-
2 ferent loan repayment plans.

3 “(vi) If the institution does not par-
4 ticipate in the loan program under part D,
5 an explanation of why the institution does
6 not participate, and a disclosure that stu-
7 dents may have the option to borrower
8 Federal student loans at another institu-
9 tion.

10 “(F) PROCESS FOR ACCEPTING OR DE-
11 CLINING AID AND NEXT STEPS.—

12 “(i) The deadlines and a summary of
13 the process (including the next steps) for—

14 “(I) accepting the financial aid
15 offered in the financial aid offer;

16 “(II) requesting different loan
17 amounts than the recommended loan
18 amounts; and

19 “(III) declining aid offered.

20 “(ii) Information on when and how di-
21 rect costs to the institution must be paid.

22 “(iii) A disclosure that verification of
23 financial circumstances may require the
24 student to submit further documentation.

1 “(iv) Information about where a stu-
2 dent or the student’s family can seek addi-
3 tional information regarding the financial
4 aid offered, including contact information
5 for the institution’s financial aid office and
6 the Department of Education’s website on
7 financial aid.

8 “(G) ADDITIONAL INFORMATION.—If in
9 consultation with the heads of relevant Federal
10 agencies, including the Secretary of the Treas-
11 ury and the Director of the Bureau of Con-
12 sumer Financial Protection, the Secretary de-
13 termines the inclusion of additional information
14 is necessary (based on the results of the con-
15 sumer testing under paragraph (7)(B)) so that
16 students and parents can make informed loan
17 borrowing decisions, this information shall be
18 included. Such information may include—

19 “(i) the most recent cohort default
20 rate, as defined in section 435(m) with re-
21 spect to an institution where more than 30
22 percent of enrolled students borrow loans
23 to pay for their education, and a compari-
24 son to the national average cohort default
25 rate;

1 “(ii) the percentage of students at the
2 institution who borrow student loans;

3 “(iii) the median loan debt at gradua-
4 tion for students at the institution (clearly
5 marked as including only Federal loans if
6 private loan data are not available to be in-
7 cluded);

8 “(iv) the estimated monthly loan pay-
9 ment based on—

10 “(I) the median loan debt at
11 graduation calculated under clause
12 (iii) and the standard repayment plan;
13 and

14 “(II) the median loan debt at
15 graduation calculated under clause
16 (iii) and the median payment for var-
17 ious example salaries under the In-
18 come Contingent Repayment plan
19 known as Revised Pay As You Earn;
20 and

21 “(v) the estimated institutional
22 charges that the student, or the student’s
23 family on behalf of the student, will have
24 to pay directly to the institution for the
25 student to attend the institution for the

1 academic period described in subparagraph
2 (A)(ii), equal to—

3 “(I) the total direct costs de-
4 scribed in subparagraph (A)(i)(I) for
5 the student for the period indicated in
6 subparagraph (A)(ii); minus

7 “(II) the amount of grant aid de-
8 scribed in subparagraph (B) that is
9 included on the financial aid offer.

10 “(3) OTHER REQUIRED CONTENTS FOR THE FI-
11 NANCIAL AID OFFER.—The standard financial aid
12 offer developed under paragraph (1) shall include, in
13 addition to the information described in paragraph
14 (2), the following information in a concise format lo-
15 cated after the requirements of paragraph (2), where
16 the format shall be designed by the Secretary of
17 Education in consultation with the heads of relevant
18 Federal agencies:

19 “(A) INFORMATION AT THE INSTITUTION’S
20 DISCRETION.—At the institution’s discretion—

21 “(i) additional options and potential
22 resources for paying for the amount listed
23 in paragraph (2)(C), such as tuition pay-
24 ment plans;

1 “(ii) for an undergraduate student, a
2 disclosure that Federal Direct Parent
3 PLUS Loans borrowed on behalf of the
4 student or private education loans may be
5 available to cover unmet financial need, ex-
6 cept that the institution must include a
7 disclosure that such loans are subject to an
8 additional application process, have to be
9 repaid by the borrower or the borrower’s
10 parents, as applicable, include the applica-
11 ble interest rate in the case of Federal Di-
12 rect PLUS Loans, and that such loans
13 may not be eligible for all the benefits
14 available for Federal Direct Subsidized
15 Loans or Federal Direct Unsubsidized
16 Loans; and

17 “(iii) for a graduate student, a disclo-
18 sure that private education loans may be
19 available to cover unmet financial need, ex-
20 cept that the institution must include a
21 disclosure that such loans are subject to an
22 additional application process, have to be
23 repaid by the borrower, and are not eligible
24 for all the benefits available for Federal
25 Direct Loans or Federal PLUS Loans.

1 “(B) DISCLOSURES REGARDING PRIVATE
2 EDUCATION LOANS.—If the institution includes
3 private education loans in the financial aid
4 offer, as allowed under subparagraph (A), the
5 following information shall be included:

6 “(i) A statement that students consid-
7 ering borrowing to cover unmet need
8 should exhaust available Federal financial
9 aid, including Federal student loans, prior
10 to applying for or taking out private edu-
11 cation loans, including an explanation that
12 Federal student loans offer generally more
13 favorable terms and beneficial repayment
14 options than private education loans.

15 “(ii) The impact of private education
16 loans on the student’s potential eligibility
17 for other financial assistance, including
18 Federal financial assistance under this
19 title.

20 “(iii) A statement explaining the stu-
21 dent’s ability to select a private educational
22 lender of the student’s choice.

23 “(iv) For any dependent student, in-
24 formation about the availability of, and
25 terms and conditions associated with, Fed-

1 eral Direct PLUS Loans under section 455
2 for the student's parents regardless of
3 family income.

4 “(v) For any dependent student, a no-
5 tification of the student's increased eligi-
6 bility for Federal student loans under this
7 title if the student's parents apply for a
8 Federal Direct PLUS loan and are denied.

9 “(C) TOTAL COST OF DEGREE OR CERTIFI-
10 CATE PROGRAM INFORMATION.—The following
11 information regarding the total cost of a degree
12 or certificate program:

13 “(i) TOTAL COST OF ATTENDANCE.—
14 Information on the student's estimated
15 total cost of attendance, based on the pub-
16 lished program length, including the fol-
17 lowing:

18 “(I) Total estimated direct costs
19 based on the published program
20 length, including the component totals
21 each for—

22 “(aa) tuition and fees, as
23 determined under section 472;
24 and

1 “(bb) institutionally owned
2 or operated housing and food
3 costs (as determined based on
4 the costs for housing and food
5 under section 472).

6 “(II) Total estimated other ex-
7 penses based on the published pro-
8 gram length, including—

9 “(aa) the component totals
10 each for housing and food costs
11 for students who reside off-cam-
12 pus; and

13 “(bb) for all students, books,
14 supplies, transportation, miscella-
15 neous personal expenses, health
16 insurance (if applicable), and
17 child care (if applicable), as de-
18 termined under section 472.

19 “(ii) TOTAL NET PRICE.—

20 “(I) The estimated total net price
21 that the student, or the student’s
22 family on behalf of the student, is es-
23 timated to have to pay for the student
24 to attend the institution for the pub-
25 lished program length, equal to—

1 “(aa) the estimated total
2 cost of attendance as described in
3 clause (i) for the student based
4 on the published program length;
5 minus

6 “(bb) the estimated total
7 amount of grant aid described in
8 paragraph (2)(B) that is esti-
9 mated to continue for the pro-
10 gram length and is included in
11 the financial aid offer, based on
12 the published program length.

13 “(II) A disclosure that the esti-
14 mated total net price is an estimate of
15 the total expenses for the published
16 program length and not equivalent to
17 the amount the student will owe di-
18 rectly to the institution over the pub-
19 lished program length.

20 “(4) ADDITIONAL REQUIREMENTS FOR FINAN-
21 CIAL AID OFFER.—The financial aid offer shall meet
22 the following requirements:

23 “(A) Include, in addition to the require-
24 ments described in paragraphs (2) and (3), a
25 concise summary, in plain language, of—

1 “(i) the terms and conditions of finan-
2 cial aid recommended under subparagraphs
3 (B), (D), and (E) of paragraph (2), and a
4 method to provide students with additional
5 information about such terms and condi-
6 tions, such as links to the supplementary
7 information; and

8 “(ii) Federal, State, or institutional
9 conditions required to receive and renew fi-
10 nancial aid and a method to provide stu-
11 dents with additional information about
12 these conditions, such as links to the sup-
13 plementary information.

14 “(B) Clearly distinguish between the aid
15 offered in subparagraphs (B), (D), and (E) of
16 paragraph (2), by including a subtotal for the
17 aid offered in each of such subparagraphs
18 which shall not combine the different types of
19 aid described in such subparagraphs.

20 “(C) Use standard terminology and defini-
21 tions, as required in paragraph (5)(A), and use
22 plain language where possible.

23 “(D) Use the standard financial aid offer
24 described in paragraph (5)(B).

1 “(E) Include the standardized statement
2 regarding the possible availability of Federal
3 education benefits, as established by the Sec-
4 retary in accordance with paragraph (5)(C).

5 “(F) Include a delivery confirmation for
6 electronic financial aid offer, except that receipt
7 of the financial aid offer shall not be considered
8 an acceptance or rejection of aid by the student.

9 “(5) STANDARD INFORMATION ESTABLISHED
10 BY THE SECRETARY.—

11 “(A) STANDARD TERMINOLOGY.—The Sec-
12 retary of Education shall use the standard ter-
13 minology developed under paragraph (8).

14 “(B) STANDARD FINANCIAL AID OFFER.—

15 “(i) IN GENERAL.—The Secretary of
16 Education shall develop multiple draft fi-
17 nancial aid offers for consumer testing,
18 carry out consumer testing for such offers,
19 and establish a finalized standard financial
20 aid offer or offers, in accordance with the
21 process established in paragraph (7) and
22 the requirements of this subsection.

23 “(ii) STANDARD FINANCIAL AID
24 OFFER FORMS FOR DIFFERENT TYPES OF
25 STUDENTS.—Subject to the requirements

1 for consumer testing and development de-
2 scribed in paragraph (7), the Secretary
3 may develop separate financial aid offer
4 formatting for each of the following indi-
5 vidual types of students that must follow a
6 standard format within each such indi-
7 vidual type of students:

8 “(I) New undergraduate stu-
9 dents.

10 “(II) Returning undergraduate
11 students.

12 “(III) New graduate and profes-
13 sional students.

14 “(IV) Returning graduate and
15 professional students.

16 “(C) ADDITIONAL EDUCATION BENE-
17 FITS.—The Secretary of Education, in consulta-
18 tion with the heads of relevant Federal agen-
19 cies, including the Secretary of the Treasury,
20 the Secretary of Veterans Affairs, the Secretary
21 of Defense, and the Director of the Consumer
22 Financial Protection Bureau, shall establish
23 standard language notifying students that they
24 may be eligible for education benefits (and
25 where students can locate more information

1 about such benefits), including benefits in ac-
2 cordance with each of the following:

3 “(i) Chapter 30, 31, 32, 33, 34, or 35
4 of title 38, United States Code.

5 “(ii) Chapter 101, 105, 106A, 1606,
6 1607, or 1608 of title 10, United States
7 Code.

8 “(iii) Section 1784a, 2005, or 2007 of
9 title 10, United States Code.

10 “(D) ADDITIONAL MEANS-TESTED BENE-
11 FITS.—The Secretary of Education, in consulta-
12 tion with the heads of relevant Federal agen-
13 cies, shall establish standard language notifying
14 students that they may be eligible for means-
15 tested benefits (and where students can locate
16 more information about such benefits) including
17 benefits from—

18 “(i) the supplemental security income
19 program under title XVI of the Social Se-
20 curity Act (42 U.S.C. 1381 et seq.);

21 “(ii) the supplemental nutrition assist-
22 ance program under the Food and Nutri-
23 tion Act of 2008 (7 U.S.C. 2011 et seq.);

24 “(iii) the program of block grants for
25 States for temporary assistance for needy

1 families established under part A of title
2 IV of the Social Security Act (42 U.S.C.
3 601 et seq.);

4 “(iv) the special supplemental nutri-
5 tion program for women, infants, and chil-
6 dren established by section 17 of the Child
7 Nutrition Act of 1966 (42 U.S.C. 1786);

8 “(v) the Medicaid program under title
9 XIX of the Social Security Act (42 U.S.C.
10 1396 et seq.); and

11 “(vi) any other means-tested program
12 determined by the Secretary to be appro-
13 priate.

14 “(6) SUPPLEMENTAL INFORMATION; REMOVAL
15 OF INFORMATION.—

16 “(A) SUPPLEMENTAL INFORMATION.—
17 Nothing in this section shall preclude an insti-
18 tution from supplementing the financial aid
19 offer with additional information if such addi-
20 tional information supplements the financial aid
21 offer and is not located on the financial aid
22 offer, and provided such information utilizes the
23 same standard terminology identified in para-
24 graph (5)(A).

1 “(B) REMOVAL OF INFORMATION.—Not-
2 ing in this section shall preclude an institution
3 from deleting a required item if the borrower is
4 ineligible for such aid.

5 “(7) DEVELOPMENT OF STANDARDIZED FINAN-
6 CIAL AID OFFER.—

7 “(A) DRAFT STANDARDIZED OFFER.—Not
8 later than 13 months after the date of enact-
9 ment of the Student Aid Improvement Act of
10 2019, the Secretary of Education, in consulta-
11 tion with the heads of relevant Federal agen-
12 cies, including the Secretary of the Treasury
13 and the Director of the Consumer Financial
14 Protection Bureau, representatives of institu-
15 tions of higher education, nonprofit consumer
16 groups, students, and secondary school and
17 higher education guidance counselors, shall de-
18 sign and produce multiple draft financial aid of-
19 fers for consumer testing with postsecondary
20 students or prospective students. In developing
21 that offer or those offers, the Secretary shall
22 ensure—

23 “(i) that the information described in
24 subparagraphs (A) through (E) of para-
25 graph (2) is in the same font, appears in

1 the same order, and is displayed promi-
2 nently on the first page of the financial aid
3 offer, if in paper format, or in a similarly
4 prominent place if in electronic format,
5 such that none of that information is inap-
6 propriately omitted or de-emphasized;

7 “(ii) that the other information re-
8 quired in paragraph (2) appears in a
9 standard format and design on the finan-
10 cial aid offer; and

11 “(iii) that the institution may include
12 a logo or brand alongside the title of the
13 financial aid offer.

14 “(B) CONSUMER TESTING.—

15 “(i) IN GENERAL.—The Secretary of
16 Education, in consultation with the heads
17 of relevant Federal agencies, shall establish
18 a process to submit the financial aid offer
19 drafts developed under subparagraph (A)
20 for consumer testing among representa-
21 tives of students (including low-income stu-
22 dents, first generation college students,
23 adult students, veterans, servicemembers,
24 and prospective students), students’ fami-
25 lies (including low-income families, families

1 with first generation college students, and
2 families with prospective students), institu-
3 tions of higher education, secondary school
4 and postsecondary counselors, and non-
5 profit consumer groups.

6 “(ii) PILOT.—During such consumer
7 testing, the Secretary shall ensure that not
8 less than 25 and not more than 50 eligible
9 institutions use the draft offers developed
10 under subparagraph (A), including institu-
11 tions—

12 “(I) that reflect a proportionate
13 representation (based on the total
14 number of students enrolled in post-
15 secondary education) of community
16 colleges, for-profit institutions, 4-year
17 public institutions, and 4-year private
18 nonprofit institutions; and

19 “(II) that reflect geographic di-
20 versity.

21 “(C) FINAL OFFER FORMAT.—

22 “(i) IN GENERAL.—The results of
23 consumer testing under subparagraph (B)
24 shall be used in the final development of
25 the financial aid offer.

1 “(ii) REPORTING REQUIREMENT.—
2 Not later than 2 years after the date of en-
3 actment of the Student Aid Improvement
4 Act of 2019, the Secretary of Education
5 shall submit to Congress and publish on its
6 website the final standard financial aid
7 offer and a report detailing the results of
8 such testing, including whether the Sec-
9 retary of Education added any additional
10 items to the standard financial aid offer
11 pursuant to paragraph (2)(G) or whether
12 the Secretary of Education is recom-
13 mending the use of multiple formats under
14 paragraph (5)(B).

15 “(iii) SPECIAL RULE FOR DIFFERENT
16 FORMATS.—If, based on the consumer test-
17 ing under subparagraph (B), there is
18 strong evidence for the use of different of-
19 fers that follow a standard format for indi-
20 vidual types of students as described in
21 paragraph (5)(B)(ii), the Secretary shall
22 release more than one standardized final
23 financial aid offer so long as each form fol-
24 lows a standard format for each individual
25 type of student.

1 “(D) AUTHORITY TO MODIFY.—The Sec-
2 retary of Education may modify the definitions,
3 terms, formatting, and design of the financial
4 aid offer based on the results of consumer test-
5 ing required under this subsection and before
6 finalizing the offer, or in subsequent consumer
7 testing. The Secretary may also recommend ad-
8 ditional changes to Congress.

9 “(E) USE BY INSTITUTIONS.—As soon as
10 practicable, and not later than for the 2023–
11 2024 award year, each eligible institution shall
12 use the final standard financial aid offer, as
13 published in accordance with subparagraph (C)
14 (which may include different standardized final
15 financial aid offers if established under sub-
16 paragraph (C)(iii)).

17 “(8) DEVELOPMENT OF STANDARD TERMI-
18 NOLOGY FOR FEDERAL STUDENT AID.—

19 “(A) IN GENERAL.—Not later than 180
20 days after the date of enactment of the Student
21 Aid Improvement Act of 2019, the Secretary, in
22 consultation with other relevant Federal agen-
23 cies, representatives of institutions of higher
24 education, nonprofit consumer groups, students,
25 and secondary school and postsecondary school

1 guidance counselors, shall develop or identify
2 and release for notice and comment for a period
3 of 60 days—

4 “(i) standard terms and definitions
5 for each term listed in subparagraphs (A)
6 through (E) of paragraph (2);

7 “(ii) standard names and a summary
8 of the terms and conditions of each indi-
9 vidual Federal grant and work-study pro-
10 gram under this title, including general in-
11 formation about eligibility; and

12 “(iii) standard names and a summary
13 of the terms and conditions of each Fed-
14 eral loan program under this title, includ-
15 ing general information about eligibility,
16 current interest rates, the ability to make
17 payments based on income, forgiveness,
18 cancellation, and any other available bene-
19 fits of the Federal loan program.

20 “(B) CONSUMER TESTING.—

21 “(i) IN GENERAL.—The Secretary
22 shall conduct consumer testing on the
23 items developed under this paragraph
24 among representatives of students (includ-
25 ing low-income students, first generation

1 college students, adult students, and pro-
2 spective students), students' families (in-
3 cluding low-income families, families of
4 first generation college students, and fami-
5 lies of prospective students), institutions of
6 higher education, secondary school and
7 postsecondary school counselors, and non-
8 profit consumer groups.

9 “(ii) USE OF RESULTS.—The Sec-
10 retary shall—

11 “(I) use the results of the con-
12 sumer testing under this clause in the
13 final establishment of each of the
14 items listed in subparagraph (A); and

15 “(II) share the results of that
16 testing with relevant stakeholders.

17 “(C) REPORT TO CONGRESS.—Not later
18 than 1 year after the date of enactment of the
19 Student Aid Improvement Act of 2019, and
20 after the consideration of public comments re-
21 ceived pursuant to subparagraph (A), the Sec-
22 retary shall submit a report to Congress con-
23 taining—

24 “(i) the final names, definitions, sum-
25 maries, terms, conditions, and other infor-

1 mation described in subparagraph (A) de-
2 termined necessary by the Secretary; and

3 “(ii) the results of the consumer test-
4 ing under subparagraph (B).

5 “(D) ISSUANCE, USE, UPDATES.—

6 “(i) ISSUANCE.—Not later than 1
7 year after the date of enactment of the
8 Student Aid Improvement Act of 2019, the
9 Secretary shall publish in the Federal Reg-
10 ister and make publicly available the final
11 established names, definitions, summaries,
12 terms, and conditions, as described in sub-
13 paragraph (A) and contained in the report
14 under subparagraph (C).

15 “(ii) USE BY INSTITUTIONS.—As soon
16 as practicable, and not later than for the
17 2022–2023 award year, each eligible insti-
18 tution shall use the final established
19 names, definitions, summaries, and terms
20 and conditions, as published in accordance
21 with clause (i), for any communication that
22 is required under this subsection.

23 “(iii) USE BY THE DEPARTMENT.—As
24 soon as practicable, the Department of
25 Education shall use the final established

1 names, definitions, summaries, terms, and
2 conditions, as published in accordance with
3 clause (i), for any communication regard-
4 ing programs under this title.

5 “(iv) UPDATES.—The Secretary
6 shall—

7 “(I) issue updates to the items
8 listed in subparagraph (A) as nec-
9 essary and appropriate;

10 “(II) issue such updates in a
11 manner that is consistent with and
12 sensitive to established institutional fi-
13 nancial aid processes;

14 “(III) issue significant updates
15 only after conducting additional con-
16 sumer testing in accordance with sub-
17 paragraph (B); and

18 “(IV) publish any such updates
19 in the Federal Register and make
20 them publicly available.”.

21 **SEC. 9. CREATING FAIRNESS IN LOAN REPAYMENT.**

22 Section 455(d) (20 U.S.C. 1087e(d)) is amended—

23 (1) by redesignating paragraphs (2) through
24 (5) as paragraphs (3) through (6), respectively;

1 (2) in paragraph (4), as redesignated by para-
2 graph (1), by striking “paragraph (2)” and inserting
3 “paragraph (3)”; and

4 (3) by inserting after paragraph (1) the fol-
5 lowing:

6 “(2) FAIRNESS IN LOAN REPAYMENT.—With
7 respect to any new borrower on or after July 1,
8 2020, who elects a repayment plan that is author-
9 ized, created under the authority of, or otherwise of-
10 fered by the Secretary under subparagraph (D) or
11 (E) of paragraph (1), the borrower shall not be sub-
12 ject to a maximum monthly payment based on a 10-
13 year standard repayment plan as described in sec-
14 tion 493C(b)(6)(A) or any other maximum monthly
15 payment.”.

○