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REPORT
110–224

PROVIDING FOR CONSIDERATION OF THE BILL (H.R. 2669) TO PROVIDE FOR RECONCILIATION PURSUANT TO SECTION 601 OF THE CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2008

JULY 10, 2007.—Referred to the House Calendar and ordered to be printed

Ms. SUTTON, from the Committee on Rules, submitted the following

R E P O R T

[To accompany H. Res. 531]

The Committee on Rules, having had under consideration House Resolution 531, by a record vote of 6 to 3, report the same to the House with the recommendation that the resolution be adopted.

SUMMARY OF PROVISIONS OF THE RESOLUTION

The resolution provides for consideration of H.R. 2669, the "College Cost Reduction Act of 2007," under a structured rule. The resolution provides for one hour of general debate equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor.

The resolution waives all points of order against consideration of the bill except those arising under clauses 9 or 10 of rule XXI. The resolution provides that the amendment in the nature of a substitute recommended by the Committee on Education and Labor, modified by the amendment printed in part A of the report of the Committee on Rules, shall be considered as read. The resolution waives all points of order against the bill, as amended.

The resolution makes in order only the amendment in the nature of a substitute printed in part B of the report of the Committee on Rules if offered by Mr. McKeon of California or his designee. The amendment shall be considered as read and shall be debatable for one hour equally divided and controlled by a proponent and an opponent. The resolution waives all points of order against the amendment printed in part B except those arising under clause 9 or 10 of rule XXI. The resolution provides one motion to recommit with or without instructions. Finally, the resolution permits the Chair, during consideration of the bill in the House, to postpone further consideration of the bill to a time designated by the Speaker.

EXPLANATION OF WAIVERS

Although the rule waives all points of order against consideration of the bill (except for those arising under clauses 9 or 10 of rule XXI), the Committee is not aware of any points of order against consideration of the bill. The waiver of all points of order is prophylactic in nature. The waiver of all points of order against bill, as amended, includes a waiver of clause 4 of rule XXI (appropriating on legislative bills).

COMMITTEE VOTES

The results of each record vote on an amendment or motion to report, together with the names of those voting for and against, are printed below:

Rules Committee record vote No. 231

Date: June 10, 2007.
Measure: H.R. 2669.
Motion by: Mr. Dreier.
Summary of motion: To make in order and provide appropriate waivers for an amendment by Rep. Miller, George (CA), #9, Manager's Amendment, as a free-standing amendment rather than as considered as adopted. The Manager's amendment makes various technical changes to the College Cost Reduction Act, as well as changes the increases in the Income Protection Allowance; moves Guaranty Agency Account Maintenance fees to an originated-volume basis, but at a decreased level, and creates a new fee for Guaranty Agencies; adds school counselors to the loan-forgiveness program, and allows non-profit employees to receive loan forgiveness after 10 years of service; makes changes in Title II, Reducing the Cost of College, including eliminating the provision on State Maintenance of Effort; and ensures that all applicants with a score above 70 in the 2007 Upward Bound competition are funded.
Results: Defeated 3–6.
Vote by Members: McGovern—Nay; Matsui—Nay; Cardoza—Nay; Welch—Nay; Arcuri—Nay; Sutton—Nay; Dreier—Yea; Diaz-Balart—Yea; Hastings (WA)—Yea.

Rules Committee record vote No. 232

Date: June 10, 2007.
Measure: H.R. 2669.
Motion by: Mr. Dreier.
Summary of motion: To grant an open rule.
Results: Defeated 3–6.
Vote by Members: McGovern—Nay; Matsui—Nay; Cardoza—Nay; Welch—Nay; Arcuri—Nay; Sutton—Nay; Dreier—Yea; Diaz-Balart—Yea; Hastings (WA)—Yea.

Rules Committee record vote No. 233

Date: June 10, 2007.
Measure: H.R. 2669.
Motion by: Mr. Diaz-Balart.
Summary of motion: To make in order en bloc and provide appropriate waivers for an amendment by Rep. Kline (MN), #14, which adds two limitations to the interest rate reductions. Borrowers

making over $65,000 (or $135,000 if married) are no longer able to take advantage of the reduced interest rates in this bill. Members of the military are exempt from this income limit and can take advantage of the reduced rates. The income limitation is the same as the limits in place under current law for borrowers to be able to take advantage of the student loan interest tax deduction; an amendment by Rep. Price, Tom (GA), #22, which strikes the new Teach Grants Program that gives entitlement funds to institutions of higher education in order to award Teach Grants, and the Centers of Excellence provision that gives entitlement funds to institutions of higher education for teacher preparation programs; and an amendment by Rep. Price, Tom (GA), #24, which strikes the new College Access Challenge Grant Program that gives entitlement funds to philanthropic organizations.

Results: Defeated 3–6.

Vote by Members: McGovern—Nay; Matsui—Nay; Cardoza—Nay; Welch—Nay; Arcuri—Nay; Sutton—Nay; Dreier—Yea; Diaz-Balart—Yea; Hastings (WA)—Yea.

Rules Committee record vote No. 234

Date: June 10, 2007.

Measure: H.R. 2669.

Motion by: Mr. Diaz-Balart.

Summary of motion: To make in order en bloc and provide appropriate waivers for an amendment by Rep. Souder (IN), #20, which strikes the Section 133 creation of "income-based repayment," a new repayment plan that would reduce a borrower's monthly loan repayment to no more than 15 percent of the borrower's discretionary income. It also authorizes an additional $840 million for Federal Pell Grants; an amendment by Rep. Hensarling (TX), #7, which would strike loan forgiveness for nurses, foreign language specialists, librarians, public sector employees, and other professions; Perkins Loan; grants to institutions for low tuition; Cooperative Education Rewards to institutions; TEACH grants; Centers of Excellence; HBCU and Minority Serving Institutions; College Access Challenge Grants; and Upward Bound from the bill. In addition, the amendment would strike the mandatory funding for the Pell grant program, leaving intact the discretionary increases for the Pell program; and an amendment by Rep. Hensarling (TX), #8, which would set the authorized maximum award for the Pell Grant at the current level, $5,800, through FY2013. The amendment would also strike the new mandatory funding for the Pell program provided for in the underlying bill.

Results: Defeated 3–6.

Vote by Members: McGovern—Nay; Matsui—Nay; Cardoza—Nay; Welch—Nay; Arcuri—Nay; Sutton—Nay; Dreier—Yea; Diaz-Balart—Yea; Hastings (WA)—Yea.

Rules Committee record vote No. 235

Date: June 10, 2007.

Measure: H.R. 2669.

Motion by: Mr. Hastings (WA).

Summary of motion: To make in order and provide appropriate waivers for an amendment by Rep. Bishop, Rob (UT), #21. The amendment would provide that students could come from programs

of study that prepare them for college and work beyond the basic graduation requirements and that are recognized by the designated state official, or with respect to private or home schools, by the designated school official for such schools.

Results: Defeated 3–6.

Vote by Members: McGovern—Nay; Matsui—Nay; Cardoza—Nay; Welch—Nay; Arcuri—Nay; Sutton—Nay; Dreier—Yea; Diaz-Balart—Yea; Hastings (WA)—Yea.

Rules Committee record vote No. 236

Date: June 10, 2007.

Measure: H.R. 2669.

Motion by: Mr. Hastings (WA).

Summary of motion: To make in order and provide appropriate waivers for an amendment by Rep. Cuellar (TX), #10, which would ensure that before a student loan auction pilot is implemented, the study group reaches agreement that it is practicable; in the best interest of both the taxpayers and the student loan borrowers; and would not limit availability of student loan funds. Additionally, if and when such a pilot program is implemented, the amendment would require a report to Congress on the outcome of the pilot. The amendment would strike a provision permitting the Education Secretary to implement a program-wide auction system.

Results: Defeated 3–6.

Vote by Members: McGovern—Nay; Matsui—Nay; Cardoza—Nay; Welch—Nay; Arcuri—Nay; Sutton—Nay; Dreier—Yea; Diaz-Balart—Yea; Hastings (WA)—Yea.

Rules Committee record vote No. 237

Date: June 10, 2007.

Measure: H.R. 2669.

Motion by: Ms. Matsui.

Summary of motion: To report the rule.

Results: Adopted 6–3.

Vote by Members: McGovern—Yea; Matsui—Yea; Cardoza—Yea; Welch—Yea; Arcuri—Yea; Sutton—Yea; Dreier—Nay; Diaz-Balart—Nay; Hastings (WA)—Nay.

SUMMARY OF AMENDMENT IN PART A CONSIDERED AS ADOPTED UNDER THE RULE

The Manager's amendment makes various technical changes to the College Cost Reduction Act, as well as changes the increases in the Income Protection Allowance; moves Guaranty Agency Account Maintenance fees to an originated-volume basis, but at a decreased level, and creates a new fee for Guaranty Agencies; adds school counselors to the loan-forgiveness program, and allows nonprofit employees to receive loan forgiveness after 10 years of service; makes changes in Title II, Reducing the Cost of College, including eliminating the provision on State Maintenance of Effort; and ensures that all applicants with a score above 70 in the 2007 Upward Bound competition are funded.

SUMMARY OF AMENDMENT IN PART B MADE IN ORDER UNDER THE RULE

(Summary derived from information provided by sponsor.)

1. McKeon (CA): Amendment in the Nature of a Substitute. (Revised) The amendment reduces subsidies in the loan programs and invests the majority of the savings in the Pell Grant program by providing increases of $350 in 2008 and $100 each year thereafter. It also provides a plan for improved consumer information and public accountability with respect to college costs. (60 minutes)

PART A—TEXT OF AMENDMENT CONSIDERED AS ADOPTED

Page 2, beginning on line 4, amend section 1 to read as follows:

SECTION 1. SHORT TITLE.

This Act may be cited as the "College Cost Reduction Act of 2007".

Page 8, after line 6, insert the following new paragraph:

(3) APPROPRIATION.—There shall be available to the Secretary, from funds not otherwise appropriated, $5,000,000 for the period beginning on the date of enactment of this Act and ending on October 1, 2008, to carry out the amendments made by paragraph (1) of this subsection.

Page 10, beginning on line 16, strike subparagraph (D) through page 11, line 2, and insert the following:

"(D) an income protection allowance of $3,750 (or a successor amount prescribed by the Secretary under section 478);".

Page 11, beginning on line 7, strike clause (iv) through page 12, line 8, and insert the following:

"(iv) an income protection allowance of the following amount (or a successor amount prescribed by the Secretary under section 478):

"(I) for single or separated students, or married students where both are enrolled pursuant to subsection (a)(2), $6,690; and

"(II) for married students where 1 is enrolled pursuant to subsection (a)(2), $10,720;".

Page 13, line 22, strike "and"; on line 23, redesignate subparagraph (B) as subparagraph (C), and after line 22 insert the following new subparagraph:

"(B) for each of the academic years 2010–2011 and 2011–2012, by increasing each of the amounts determined under this paragraph for the preceding academic year by 10 percent; and

Page 13, line 25, strike "contained in such section" and insert "determined under this paragraph".

Page 14, line 8, strike "October 1, 2008," and insert "July 1, 2009,".

Page 26, beginning on line 13, strike "for which the first disbursement of principal is".

Page 28, beginning on line 13, strike section 117 and insert the following (and conform the table of contents accordingly):

SEC. 117. ACCOUNT MAINTENANCE FEES.

Section 458(b) (20 U.S.C. 1087h(b)) is amended by striking "0.10 percent" and inserting "0.06 percent".

Page 31, line 15, insert "annually" after "Secretary".

Page 31, line 18, insert "a" after "of".

Page 31, line 23, strike ", or otherwise affiliated with,".

Page 33, beginning on line 4, strike section 119, and redesignate succeeding sections accordingly.

Page 41, after line 3, insert the following new section:

SEC. 121. OTHER GUARANTY AGENCY REFORMS.

(a) AGENCY OPERATING FUNDS.—Section 422B(c) (20 U.S.C. 1072b(c)) is amended—

(1) by striking "and" at the end of paragraph (5);

(2) by redesignating paragraph (6) as paragraph (7); and

(3) by inserting after paragraph (5) the following new paragraph:

"(6) the delinquency prevention fee paid by the Secretary in accordance with section 428(o); and".

(b) DELINQUENCY PREVENTION FEE .—Section 428 (20 U.S.C. 1078) is amended by adding at the end the following new subsection:

"(o) DELINQUENCY PREVENTION FEE.—

"(1) AMOUNT OF FEE.—The Secretary shall pay to each guaranty agency, on a monthly basis, a delinquency prevention fee equal to 0.0055 percent of the original principal amount of loans insured by the agency, other than loans in in-school or grace period status, that are not in delinquency status as of the end of the previous month.

"(2) DEFINITION.—For the purpose of earning the delinquency prevention fee, the term 'not in delinquency status' means the borrower is less than 60 days delinquent in making a required payment.".

(c) MINIMUM LOAN PROCESSING AND ISSUANCE FEES.—Section 428(f)(1)(A)(ii) (20 U.S.C. 1078(f)(1)(A)(ii)) is amended by inserting before the period at the end the following: ", except that the total amount of such payments to each guaranty agency in any fiscal year shall equal at least $1,500,000".

Page 46, line 1, redesignate paragraph (9) as paragraph (10) and insert before such line the following new paragraph:

"(9) SCHOOL COUNSELORS.—An individual who is employed as a school counselor (as such term is defined in section 5421(e)(3) of Elementary and Secondary Education Act of 1965 (20 U.S.C. 7245(e)(3)) in an elementary or secondary school which is in the school district of a local educational agency which is eligible in such year for assistance pursuant to title I of the Elementary and Secondary Education Act of 1965, and which for the purpose of this paragraph and for that year has been determined by the Secretary (pursuant to regulations and after consultation with the State educational agency of the State in which the school is located) to be a school in which the enrollment of children counted under section 1113(a)(5) of the Elementary and Secondary Education Act of 1965 exceeds 30 percent of the total enrollment of that school.

Page 46, line 7, strike "defense)" and insert the following: "defense or legal advocacy in low-income communities at a nonprofit organization)".

Page 52, line 14, strike "or", and on line 15, strike "defense)" the following: "defense or legal advocacy in low-income communities at a nonprofit organization), or at an organization that is described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code".

Page 60, beginning on line 3, strike section 138.

Page 63, in title II, strike sections 201 through 203 and insert the following:

SEC. 201. CONSUMER INFORMATION AND PUBLIC ACCOUNTABILITY IN HIGHER EDUCATION.

Section 131 of the Higher Education Act of 1965 (20 U.S.C. 1015) is amended to read as follows:

"SEC. 131. CONSUMER INFORMATION AND PUBLIC ACCOUNTABILITY IN HIGHER EDUCATION.

"(a) COLLEGE OPPORTUNITY ON-LINE (COOL) WEBSITE RE-DESIGN PROCESS.—In carrying out this section, the Commissioner of Education Statistics—

"(1) shall identify the data elements related to college costs that are of greatest importance to prospective students, enrolled students, and their families, paying particular attention to low-income, non-traditional student populations, and first-generation college students;

"(2) shall convene a group of individuals with expertise the informational needs of prospective college students and parents to—

"(A) determine the relevance of particular data elements to prospective students, enrolled students, and families based upon the results of opinion research; and

"(B) make recommendations regarding the inclusion of specific data items and the most effective and least burdensome methods of collecting and reporting useful data from institutions of higher education; and

"(3) shall ensure that the redesigned COOL website—

"(A) uses, to the extent practicable, data elements currently provided by institutions of higher education to the Secretary;

"(B) includes clear and uniform information determined to be relevant to prospective students, enrolled students, and families;

"(C) provides comparable information, by ensuring that information is based on accepted criteria and common definitions;

"(D) includes a sorting function that permits users to customize their search for and comparison of institutions of higher education based on the information identified through the process as prescribed in paragraph (1) as being of greatest relevance to choosing an institution of higher education.

"(b) DATA COLLECTION.—

"(1) DATA SYSTEM.—The Commissioner of Education Statistics shall continue to redesign the relevant parts of the Integrated Postsecondary Education Data System to include additional data as required by this section and to continue to improve the usefulness and timeliness of data collected by such System in order to inform consumers about institutions of higher education.

"(2) COLLEGE CONSUMER PROFILE.—The Secretary shall continue to publish on the COOL website, for each academic year and in accordance with standard definitions developed by the Commissioner of Education Statistics (including definitions de-

veloped under section 131(a)(3)(A) as in effect on the day before the date of enactment of the College Cost Reduction Act of 2007), from at least all institutions of higher education participating in programs under title IV the following information:

"(A) The tuition and fees charged for a first-time, full-time undergraduate student.

"(B) The room and board charges for a first-time, full-time undergraduate student.

"(C) The cost of attendance for a first-time, full-time undergraduate student, consistent with the provisions of section 472.

"(D) The average amount of financial assistance (including grant assistance) received by a first-year, full-time undergraduate student.

"(E) The number and percentage of first-time, full-time undergraduate students receiving financial assistance (including grant assistance) described in each clause of subparagraph (D).

"(F) Student enrollment information, including information on the number and percentage of full-time and part-time students, and the number and percentage of resident and non-resident students.

"(G) Faculty-to-student ratios.

"(H) The total number of faculty and the percentage of faculty who are full-time employees of the institution and the percentage who are part-time.

"(I) Graduation rates calculated pursuant to section 485(a)(1)(L), including rates disaggregated by gender, by each major racial and ethnic subgroup, and by income status, as measured by receipt of Federal Pell Grants or Federal subsidized student loans.

"(J) A link to the institution of higher education with information of interest to students including mission, accreditation, student services (including services for students with disabilities), transfer of credit policies, any articulation agreements entered into by the institution.

"(K) The college affordability information elements specified in subsection (d).

"(c) INFORMATION TO THE PUBLIC.—The Secretary shall work with public and private entities to promote broad public awareness, particularly among middle and high school students and their families, of the information made available under this section, including by distribution to students who participate in or receive benefits from means-tested federally funded education programs and other Federal programs determined by the Secretary.

"(d) COLLEGE AFFORDABILITY INFORMATION ELEMENTS.—The college affordability information elements required by subsection (b)(2)(K) shall include, for each institution submitting data—

"(1) the sticker price of the institution for the 5 most recent academic years; and

"(2) the net tuition of the institution for the most recent academic year for which data are available.

"(e) OUTCOMES AND ACTIONS.—

"(1) RESPONSE FROM INSTITUTION.—Effective on June 30, 2011, an institution that increases its sticker price at a per-

centage rate for any 3-year interval ending on or after that date that exceeds two times the rate of change in the higher education price index over the same time period shall provide a report to the Secretary. Such report shall be published by the Secretary on the COOL website, and shall include—

"(A) a description of the factors contributing to the increase in the institution's costs and in the tuition and fees charged to students; and

"(B) if determinations of tuition and fee increases are not within the exclusive control of the institution, a description of the agency or instrumentality of State government or other entity that participates in such determinations and the authority exercised by such agency, instrumentality, or entity.

"(2) CONSEQUENCES FOR 2-YEAR CONTINUATION OF FAILURE.—If the Secretary determines that an institution that is subject to paragraph (1) has failed to reduce the subsequent increase in sticker price to equal to or below two times the rate of change in the higher education price index for 2 consecutive academic years subsequent to the 3-year interval used under paragraph (1), the Secretary shall place the institution on affordability alert status.

"(3) EXEMPTIONS.—Notwithstanding paragraph (2), an institution shall not be placed on affordability alert status if, for any 3-year interval for which sticker prices are computed under paragraph (1)—

"(A) with respect the class of institutions described in paragraph (5) to which the institution belongs, the sticker price of the institution is in the lowest quartile of institutions within such class, as determined by the Secretary, during the last year of such 3-year interval; or

"(B) the institution has a percentage change in its sticker price computed under paragraph (1) that exceeds two times the rate of change in the higher education price index over the same time period, but the dollar amount of the sticker price increase is less than $500.

"(4) INFORMATION TO STATE AGENCIES.—Any institution that reports under paragraph (1)(B) that an agency or instrumentality of State government or other entity participates in the determinations of tuition and fee increases shall, prior to submitting any information to the Secretary under this subsection, submit such information to, and request the comments and input of, such agency, instrumentality, or entity. With respect to any such institution, the Secretary shall provide a copy of any communication by the Secretary with that institution to such agency, instrumentality, or entity.

"(5) CLASSES OF INSTITUTIONS.—For purposes of this subsection, the classes of institutions shall be those sectors used by the Integrated Postsecondary Education Data System, based on whether the institution is public, nonprofit private, or forprofit private, and whether the institution has a 4-year, 2-year, or less than 2-year program of instruction.

"(6) DATA REJECTION.—Nothing in this subsection shall be construed as allowing the Secretary to reject the data submitted by an individual institution of higher education.

"(f) FINES.—In addition to actions authorized in section 487(c), the Secretary may impose a fine in an amount not to exceed $25,000 on an institution of higher education for failing to provide the information required by this section in a timely and accurate manner, or for failing to otherwise cooperate with the National Center for Education Statistics regarding efforts to obtain data under subsection (c) and pursuant to the program participation agreement entered into under section 487.

"(g) REGULATIONS.—The Secretary is authorized to issue such regulations as may be necessary to carry out the provisions of this section.

"(h) DEFINITIONS.—For the purposes of this section:

"(1) NET TUITION.—The term 'net tuition' means the average tuition and fees charged to a full-time undergraduate student by an institution of higher education for any academic year, minus the average grant amount received by such a student for such academic year.

"(2) STICKER PRICE.—The term 'sticker price' means the average published tuition and fees charged to a first-time, full-time, undergraduate student by an institution of higher education for any academic year.

"(3) HIGHER EDUCATION PRICE INDEX.—The term 'higher education price index' means a statistical measure of change over time in the prices of a fixed market basket of goods and services purchased by colleges and universities through current fund educational and general expenditures (excluding expenditures for research), as developed by the Bureau of Labor Statistics.".

Redesignate section 204 of the bill as section 202.

Page 79, strike lines 6 through 9 and insert the following:

"TITLE VIII—RESTRAINING TUITION INCREASES

"PART A—COOPERATIVE EDUCATION

At the end of title VIII of the Higher Education Act of 1965, as added by section 202 (as redesignated), strike the close quotation marks and following period, and insert the following:

"PART B—LOW TUITION

"SEC. 811. INCENTIVES AND REWARDS FOR LOW TUITION.

"(a) REWARDS FOR LOW TUITION.—

"(1) COMPETITIVE GRANTS.—The Secretary shall award grants on a competitive basis to institutions of higher education that, for academic year 2008–2009 or any succeeding academic year, have an annual net tuition increase (expressed as a percentage) for the most recent academic year for which satisfactory data is available that is equal to or less than the percentage change in the higher education price index for such academic year.

"(2) USE OF FUNDS.—Funds awarded to an institution of higher education under paragraph (1) shall be distributed by

the institution in the form of need-based grant aid to students who are eligible for Federal Pell Grants, except that no student shall receive an amount under this section that would cause the amount of total financial aid received by such student to exceed the cost of attendance of the institution.

"(b) REWARDS FOR GUARANTEED TUITION.—

"(1) BONUS.—For each institution of higher education that the Secretary of Education determines complies with the requirements of paragraph (2) or (3) of this subsection, the Secretary shall provide to such institution a bonus amount. Such institution shall award the bonus amount first to students who are eligible for Federal Pell Grants who were in attendance at the institution during the award year that such institution satisfied the eligibility criteria for maintaining low tuition and fees, then to students who are eligible for Federal Pell Grants who were not in attendance at the institution during such award year, in the form of need-based aid.

"(2) 4-YEAR INSTITUTIONS.—An institution of higher education that provides a program of instruction for which it awards a bachelor's degree complies with the requirements of this paragraph if such institution guarantees that for any academic year beginning on or after July 1, 2008, and for each of the 4 succeeding continuous academic years, the net tuition charged to an undergraduate student will not exceed—

"(A) the amount that the student was charged for an academic year at the time he or she first enrolled in the institution of higher education, plus

"(B) the product of the percentage increase in the higher education price index for the prior academic year, or the most recent prior academic year for which data is available, multiplied by the amount determined under subparagraph (A).

"(3) LESS-THAN 4-YEAR INSTITUTIONS.—An institution of higher education that does not provide a program of instruction for which it awards a bachelor's degree complies with the requirements of this paragraph if such institution guarantees that for any academic year (or the equivalent) beginning on or after July 1, 2008, and for each of the 1.5 succeeding continuous academic years, the net tuition charged to an undergraduate student will not exceed—

"(A) the amount that the student was charged for an academic year at the time he or she first enrolled in the institution of higher education, plus

"(B) the product of the percentage increase in the higher education price index for the prior academic year, or the most recent prior academic year for which data is available, multiplied by the amount determined under subparagraph (A).

"(c) MAINTAINING AFFORDABLE TUITION.—

"(1) INSTITUTION REPORTS.—If an institution of higher education has an increase in annual net tuition (expressed as a percentage), for the most recent academic year for which satisfactory data is available, that is greater than the percentage increase in the higher education price index for such academic year, the institution is required to submit to the Secretary the

following information, within 6 months of such determination—

"(A) a report on the factors contributing to the increase in the institution's costs and the increase in net tuition and fees charged to students, including identification of the major areas in the institution's budget with the greatest cost increases;

"(B) the institution's 3 most recent Form 990s submitted to the Internal Revenue Service, as required under section 6033 of the Internal Revenue Code of 1986;

"(C) a description of the major areas of expenditures in the institution's budget with the greatest increase for such academic year; and

"(D) voluntary actions being taken by the institution to reduce net tuition.

"(2) REPORT TO CONGRESS.—The Secretary shall compile the information submitted under this subsection and shall provide to the relevant authorizing committees an annual report relating to such information.

"(d) PRIORITY.—In awarding incentives and rewards under this section, the Secretary shall give priority to institutions of higher education with the lowest annual net tuition increase for the most recent academic year for which satisfactory data is available, when compared with other institutions of higher education with annual net tuition increases that are equal to or less than the higher education price index for such academic year.

"(e) EXEMPTIONS.—An institution shall still be eligible to receive rewards under subsection (a) and (b), and will not be penalized under subsection (c) if, for any 2-year interval for which net tuition is computed under such subsections—

"(1) with respect to the class of institutions described in section 131(d)(5) to which the institution belongs, the net tuition of the institution is in the lowest quartile of institutions within such class, as determined by the Secretary, during the last year of such 2-year interval; or

"(2) the institution has a percentage change in its net tuition computed under subsections (a) or (c) that exceeds the rate of change in the higher education price index (as defined in section 401B(d)) over the same time period, but the dollar amount of the net tuition increase is less than $500.

"(f) DEFINITIONS.—

"(1) NET TUITION.—The term 'net tuition' has the same meaning as provided in section 131(h).

"(2) HIGHER EDUCATION PRICE INDEX.—The term 'higher education price index' has the same meaning as provided in section 131(h).

"(g) FUNDING.—There shall be available to the Secretary to carry out this section, from funds not otherwise appropriated, $15,000,000 for each of the fiscal years 2008 through 2012.

"(h) SUNSET.—The authority to carry out this section shall expire at the end of fiscal year 2012.".

Page 95, strike lines 10 and 11 and insert the following:

"(1) UNDERGRADUATE AND POST-BACCALAUREATE STUDENTS.—The period during which an undergraduate or post-baccalaureate student may receive

Page 95, line 14, insert "or post-baccalaureate" before "course".

Page 95, line 22, insert "or post-baccalaureate" after "undergraduate".

Page 96, line 20, insert "or post-baccalaureate" after "baccalaureate".

Page 98, line 11, insert ", post-baccalaureate," after "undergraduate".

Page 101, beginning on line 18, amend paragraph (1) to read as follows:

"(1) ELIGIBLE INSTITUTION.—The term 'eligible institution' means an institution of higher education, as defined in section 102, that the Secretary determines—

"(A) provides high quality teacher preparation and professional development services, including extensive clinical experience as a part of pre-service preparation;

"(B) is financially sound;

"(C) provides pedagogical course work, or assistance in the provision of such coursework, including the monitoring of student performance, and formal instruction related to the theory and practices of teaching; and

"(D) provides supervision and support services to teachers, or assistance in the provision of such services, including mentoring focused on developing effective teaching skills and strategies.

Page 102, line 15, insert "and schools" after "agencies".

Page 102, line 16, strike "baccalaureate degree" and insert "baccalaureate degree, post-baccalaureate teacher credential, or graduate degree".

Page 104, after line 3, insert the following new paragraph:

"(3) POST-BACCALAUREATE.—The term 'post-baccalaureate' means a program of instruction that does not lead to a graduate degree, and that consists of courses required by a State in order for the student to receive a professional certification or licensing credential that is required for employment as a teacher in an elementary school or secondary school in that State, except that such term shall not include any program of instruction offered by an institution of higher education that offers a baccalaureate degree in education.

Page 119, beginning on line 10, strike "from subgroups with low levels of college degree attainment".

Page 119, beginning on line 23, through page 120, line 2, strike paragraph (8).

Page 125, beginning on line 22, strike subsection (e) and redesignate succeeding subsections accordingly.

Page 131, line 4, strike "$30,000,000" and insert "$57,000,000".

Page 131, beginning on line 10, amend paragraph (2) to read as follows:

"(2) USE OF FUNDS.—The amounts made available by paragraph (1) shall be available to provide assistance to all Upward Bound projects that did not receive assistance in fiscal year 2007 and that have a grant score above 70. Such assistance shall be made available in the form of 4-year grants.".

Page 131, beginning on line 18, strike title V.

PART B—TEXT OF AMENDMENT MADE IN ORDER

AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE MCKEON OF CALIFORNIA, OR HIS DESIGNEE, DEBATABLE FOR 60 MINUTES

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Pell Grant Enhancement Act" .

SEC. 2. REDUCTION OF LENDER INSURANCE PERCENTAGE.

(a) AMENDMENT.—Subparagraph (G) of section 428(b)(1) of the Higher Education Act of 1965 (20 U.S.C. 1078(b)(1)(G)) is amended to read as follows:

"(G) insures 95 percent of the unpaid principal of loans insured under the program, except that—

"(i) such program shall insure 100 percent of the unpaid principal of loans made with funds advanced pursuant to section 428(j) or 439(q); and

"(ii) notwithstanding the preceding provisions of this subparagraph, such program shall insure 100 percent of the unpaid principal amount of exempt claims as defined in subsection (c)(1)(G);".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect with respect to loans made on or after October 1, 2007.

SEC. 3. GUARANTEE AGENCY COLLECTION RETENTION.

Clause (ii) of section 428(c)(6)(A) of the Higher Education Act of 1965 (20 U.S.C. 1078(c)(6)(A)(ii)) is amended to read as follows:

"(ii) an amount equal to 24 percent of such payments for use in accordance with section 422B, except that—

"(I) beginning October 1, 2003 and ending September 30, 2007, this subparagraph shall be applied by substituting '23 percent' for '24 percent';

"(II) beginning October 1, 2007 and ending September 30, 2008, this subparagraph shall be applied by substituting '20 percent' for '24 percent';

"(III) beginning October 1, 2008 and ending September 30, 2010, this subparagraph shall be applied by substituting '18 percent' for '24 percent'; and

"(IV) beginning October 1, 2010, this subparagraph shall be applied by substituting for '24 percent' a percentage determined in accordance with the regulations of the Secretary and equal to the average rate paid to collection agencies that have contracts with the Secretary.".

SEC. 4. ELIMINATION OF EXCEPTIONAL PERFORMER STATUS FOR LENDERS.

(a) ELIMINATION OF STATUS.—Part B of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.) is amended by striking section 428I (20 U.S.C. 1078–9).

(b) CONFORMING AMENDMENTS.—Part B of title IV of such Act is further amended—

(1) in section 428(c)(1) (20 U.S.C. 1078(c)(1))—

(A) by striking subparagraph (D); and

(B) by redesignating subparagraphs (E) through (H) as subparagraphs (D) through (G), respectively; and

(2) in section 438(b)(5) (20 U.S.C. 1087–1(b)(5)), by striking the matter following subparagraph (B).

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on October 1, 2007.

SEC. 5. REDUCTION OF LENDER SPECIAL ALLOWANCE PAYMENTS.

Section 438(b)(2)(I) of the Higher Education Act of 1965 (20 U.S.C. 1087–1(b)(2)(I)) is amended by adding at the end the following new clauses:

"(vi) REDUCTION FOR LOANS DISBURSED ON OR AFTER OCTOBER 1, 2007.—With respect to a loan on which the applicable interest rate is determined under section 427A(l) and for which the first disbursement of principal is made on or after October 1, 2007, the special allowance payment computed pursuant to this subparagraph shall be computed—

"(I) by substituting '2.0 percent' for '2.34 percent' each place it appears in this subparagraph;

"(II) by substituting '1.4 percent' for '1.74 percent' in clause (ii); and

"(III) by substituting '2.0 percent' for '2.64 percent' each place it appears in clauses (iii) and (iv).".

SEC. 6. UNIT COST CALCULATION FOR GUARANTY AGENCY ACCOUNT MAINTENANCE FEES.

Section 458(b) of the Higher Education Act of 1965 (20 U.S.C. 1087h(b)) is amended—

(1) by striking "Account" and inserting the following:

"(1) FOR FISCAL YEARS 2006 AND 2007.—For each of the fiscal years 2006 and 2007, account"; and

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

"(2) FOR FISCAL YEAR 2008 AND SUCCEEDING FISCAL YEARS.—

"(A) UNIT COST BASIS.—For fiscal year 2008 and each succeeding fiscal year, the Secretary shall calculate the account maintenance fees payable to guaranty agencies under subsection (a)(3), on a per-loan cost basis in accordance with subparagraph (B).

"(B) DETERMINATIONS.—To determine the amount that shall be paid under subsection (a)(3) per outstanding loan guaranteed by a guaranty agency for fiscal year 2008 and succeeding fiscal years, the Secretary shall—

"(i) establish the per-loan cost basis amount by—

"(I) dividing the total amount of account maintenance fees paid under subsection (a)(3) in fiscal year 2006, by

"(II) the number of loans under part B that were outstanding in that fiscal year; and

"(ii) determine on October 1 of fiscal year 2008 and each subsequent fiscal year, and pay to each guaranty agency, an amount equal to the product of the number of loans under part B that are outstanding on October

1 of that fiscal year and insured by that guaranty agency multiplied by—

"(I) the amount determined under clause (i); increased by

"(II) a percentage equal to the percentage increase in the Consumer Price Index for Wage Earners (as determined by the Bureau of Labor Statistics of the Department of Labor) between the calendar quarter ending on June 30, 2006, and the calendar quarter ending on the June 30 preceding such October 1 of such fiscal year.".

SEC. 7. TUITION SENSITIVITY.

(a) ELIMINATION OF TUITION SENSITIVITY.—Section 401(b) of the Higher Education Act of 1965 (20 U.S.C. 1070a(b)) is amended—

(1) by striking paragraph (3); and

(2) by redesignating paragraphs (4) through (9) as paragraphs (3) through (8), respectively.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on July 1, 2008.

SEC. 8. MANDATORY PELL GRANT INCREASES.

(a) EXTENSION OF AUTHORITY.—Section 401(a) (20 U.S.C. 1070a(a)) is amended by striking "fiscal year 2004" and inserting "fiscal year 2017".

(b) FUNDING FOR INCREASES.—Section 401(b) (20 U.S.C. 1070a(b)) is amended by adding at the end the following new paragraph:

"(9) ADDITIONAL FUNDS.—

"(A) IN GENERAL.—For an academic year, there are authorized to be appropriated, and there are appropriated, such sums as may be necessary to carry out subparagraph (B) of this paragraph (in addition to any other amounts appropriated to carry out this section and out of any money in the Treasury not otherwise appropriated) the following amounts:

"(i) $1,454,000,000 for fiscal year 2008;
"(ii) $1,915,000,000 for fiscal year 2009;
"(iii) $2,380,000,000 for fiscal year 2010;
"(iv) $2,845,000,000 for fiscal year 2011;
"(v) $3,386,000,000 for fiscal year 2012;
"(vi) $3,407,000,000 for fiscal year 2013;
"(vii) $3,443,000,000 for fiscal year 2014;
"(viii) $3,474,000,000 for fiscal year 2015;
"(ix) $3,502,000,000 for fiscal year 2016; and
"(x) $3,526,000,000 for fiscal year 2017.

"(B) INCREASE IN FEDERAL PELL GRANTS.—The amounts made available pursuant to subparagraph (A) of this paragraph shall be used to increase the amount of the maximum Pell Grant for which a student shall be eligible during an award year, as specified in the last enacted appropriation Act applicable to that award year, by—

"(i) $350 for award year 2008–2009;
"(ii) $450 for award year 2009–2010;
"(iii) $550 for award year 2010–2011;
"(iv) $650 for award year 2011–2012; and

"(v) $750 for each of the award years 2012–2013 through 2017–2018.".

(c) AUTHORIZED MAXIMUMS.—Section 401(b)(2)(A) (20 U.S.C. 1070a(b)(2)(A)) is amended to read as follows:

"(2)(A) The amount of the Federal Pell Grant for a student eligible under this part shall be for each of the award years 2008–2009 through 2016-2017, the sum of—

"(i) the amount appropriated in the applicable appropriation Act for the maximum Federal Pell Grant for that award year; and

"(ii) the amount specified in subsection (a)(2)(B) for that award year;

less an amount equal to the amount determined to be the expected family contribution with respect to that student for that year.".

SEC. 9. PLUS LOAN INTEREST RATES.

Paragraph (2) of section 427A(l) of the Higher Education Act of 1965 (20 U.S.C. 1077a(l)(2)) is amended to read as follows:

"(2) PLUS LOANS.—Notwithstanding subsection (h), with respect to any loan under section 428B, the applicable rate of interest—

"(A) shall be 8.5 percent on the unpaid principal balance of any such loan for which the first disbursement is made on or after July 1, 2006, and before July 1, 2008; and

"(B) shall be 7.9 percent on the unpaid principal balance of any such loan for which the first disbursement is made on or after July 1, 2008.".

SEC. 10. CONSUMER INFORMATION AND PUBLIC ACCOUNTABILITY IN HIGHER EDUCATION.

Section 131 of the Higher Education Act of 1965 (20 U.S.C. 1015) is amended to read as follows:

"SEC. 131. CONSUMER INFORMATION AND PUBLIC ACCOUNTABILITY IN HIGHER EDUCATION.

"(a) PURPOSE.—It is the purpose of this section to—

"(1) provide students and families with an easy-to-use, comprehensive web-based tool for researching and comparing institutions of higher education;

"(2) increase the transparency of college cost, price, and financial aid; and

"(3) raise public awareness of information available about postsecondary education, particularly among low-income families, non-traditional student populations, and first-generation college students.

"(b) COLLEGE OPPORTUNITY ON-LINE (COOL) WEBSITE RE-DESIGN PROCESS.—In carrying out this section, the Commissioner of Education Statistics—

"(1) shall identify the data elements that are of greatest importance to prospective students, enrolled students, and their families, paying particular attention to low-income, non-traditional student populations, and first-generation college students;

"(2) shall convene a group of individuals with expertise in the collection and reporting of data related to institutions of higher education to—

"(A) determine the relevance of particular data elements to prospective students, enrolled students, and families;

"(B) assess the cost-effectiveness of various ways in which institutions of higher education might produce relevant data;

"(C) determine the general comparability of the data across institutions of higher education;

"(D) make recommendations regarding the inclusion of specific data items and the most effective and least burdensome methods of collecting and reporting useful data from institutions of higher education; and

"(3) shall ensure that the redesigned COOL website—

"(A) uses, to the extent practicable, data elements currently provided by institutions of higher education to the Secretary;

"(B) includes clear and uniform information determined to be relevant to prospective students, enrolled students, and families;

"(C) provides comparable information, by ensuring that data are based on accepted criteria and common definitions;

"(D) includes a sorting function that permits users to customize their search for and comparison of institutions of higher education based on the information identified through the process as prescribed in paragraph (1) as being of greatest relevance to choosing an institution of higher education.

"(c) DATA COLLECTION.—

"(1) DATA SYSTEM.—The Commissioner of Education Statistics shall continue to redesign the relevant parts of the Integrated Postsecondary Education Data System to include additional data as required by this section and to continue to improve the usefulness and timeliness of data collected by such systems in order to inform consumers about institutions of higher education.

"(2) COLLEGE CONSUMER PROFILE.—The Secretary shall continue to publish on the COOL website, for each academic year and in accordance with standard definitions developed by the Commissioner of Education Statistics (including definitions developed under section 131(a)(3)(A) as in effect on the day before the date of enactment of the College Affordability and Transparency Act of 2007), from at least all institutions of higher education participating in programs under title IV the following information:

"(A) The tuition and fees charged for a first-time, full-time, full-year undergraduate student.

"(B) The room and board charges for a first-time, full-time, full-year undergraduate student.

"(C) The price of attendance for a first-time, full-time, full-year undergraduate student, consistent with the provisions of section 472.

"(D) The average amount of financial assistance received by a first-year, full-time, full-year undergraduate student, including—

"(i) each type of assistance or benefits described in 428(a)(2)(C)(ii);

"(ii) institutional and other assistance; and

"(iii) Federal loans under parts B, D, and E of title IV.

"(E) The number of first-time, full-time, full-year undergraduate students receiving financial assistance described in each clause of subparagraph (D).

"(F) The institutional instructional expenditure per full-time equivalent student.

"(G) Student enrollment information, including information on the number and percentage of full-time and part-time students, the number and percentage of resident and non-resident students.

"(H) Faculty-to-student ratios.

"(I) Faculty information, including the total number of faculty and the percentage of faculty who are full-time employees of the institution and the percentage who are part-time.

"(J) Completion and graduation rates of undergraduate students, identifying whether the completion or graduation rates are from a 2-year or 4-year program of instruction and, in the case of a 2-year program of instruction, the percentage of students who transfer to 4-year institutions prior or subsequent to completion or graduation.

"(K) A link to the institution of higher education with information of interest to students including mission, accreditation, student services (including services for students with disabilities), transfer of credit policies and, if appropriate, placement rates and other measures of success in preparing students for entry into or advancement in the workforce.

"(L) The college affordability information elements specified in subsection (d).

"(M) Any additional information that the Secretary may require.

"(d) COLLEGE AFFORDABILITY INFORMATION ELEMENTS.—The college affordability information elements required by subsection (c)(2)(L) shall include, for each institution submitting data—

"(1) the sticker price of the institution for the 3 most recent academic years;

"(2) the net tuition price of the institution for the 3 most recent academic years;

"(3) the percentage change in both the sticker price and the net tuition price over the 3-year time period that is being reported;

"(4) the percentage change in the CPI over the same time period; and

"(5) whether the institution has been placed on affordability alert status as required by subsection (e)(3).

"(e) OUTCOMES AND ACTIONS.—

"(1) RESPONSE FROM INSTITUTION.—Effective on June 30, 2008, an institution that increases its sticker price at a percentage rate for any 3-year interval ending on or after that date that exceeds two times the rate of change in the CPI over

the same time period shall provide a report to the Secretary, in such a form, at such time, and containing such information as the Secretary may require. Such report shall be published by the Secretary on the COOL website, and shall include—

"(A) a description of the factors contributing to the increase in the institution's costs and in the tuition and fees charged to students; and

"(B) if determinations of tuition and fee increases are not within the exclusive control of the institution, a description of the agency or instrumentality of State government or other entity that participates in such determinations and the authority exercised by such agency, instrumentality, or entity.

"(2) QUALITY-EFFICIENCY TASK FORCES.—

"(A) REQUIRED.—Each institution subject to paragraph (1) that has a percentage change in its sticker price that is in the highest 5 percent of all institutions subject to paragraph (1) shall establish a quality-efficiency task force to review the operations of such institution.

"(B) MEMBERSHIP.—Such task force shall include administrators, business and civic leaders, and faculty, and may include students, trustees, parents of students, and alumni of such institution.

"(C) FUNCTIONS.—Such task force shall analyze institutional operating costs in comparison with such costs at other institutions within the class of institutions. Such analysis should identify areas where, in comparison with other institutions in such class, the institution operates more expensively to produce a similar result. Any identified areas should then be targeted for in-depth analysis for cost reduction opportunities.

"(D) REPORT.—The results of the analysis by a quality-efficiency task force under this paragraph shall be made available to the public on the COOL website.

"(3) CONSEQUENCES FOR 2-YEAR CONTINUATION OF FAILURE.—If the Secretary determines that an institution that is subject to paragraph (1)) has failed to reduce the subsequent increase in sticker price below two times the rate of change in the CPI for 2 consecutive academic years subsequent to the 3-year interval used under paragraph (1), the Secretary shall place the institution on affordability alert status.

"(4) EXEMPTIONS.—Notwithstanding paragraph (3), an institution shall not be placed on affordability alert status if, for any 3-year interval for which sticker prices are computed under paragraph (1)—

"(A) with respect the the class of institutions described in paragraph (6) to which the institution belongs, the sticker price of the institution is in the lowest quartile of institutions within such class, as determined by the Secretary, during the last year of such 3-year interval; or

"(B) the institution has a percentage change in its sticker price computed under paragraph (1) that exceeds two times the rate of change in the CPI over the same time period, but the dollar amount of the sticker price increase is less than $500.

"(5) INFORMATION TO STATE AGENCIES.—Any institution that reports under paragraph (1)(B) that an agency or instrumentality of State government or other entity participates in the determinations of tuition and fee increases shall, prior to submitting any information to the Secretary under this subsection, submit such information to, and request the comments and input of, such agency, instrumentality, or entity. With respect to any such institution, the Secretary shall provide a copy of any communication by the Secretary with that institution to such agency, instrumentality, or entity.

"(6) CLASSES OF INSTITUTIONS.—For purposes of this subsection, the classes of institutions shall be those sectors used by the Integrated Postsecondary Education Data System, based on whether the institution is public, nonprofit private, or for-profit private, and whether the institution has a 4-year, 2-year, or less than 2-year program of instruction.

"(7) DATA REJECTION.—Nothing in this subsection shall be construed as allowing the Secretary to reject the data submitted by an individual institution of higher education.

"(f) INFORMATION TO THE PUBLIC.—The Secretary shall work with public and private entities to promote broad public awareness, particularly among middle and high school students and their families, of the information made available under this section, including by distribution to students who participate in or receive benefits from means-tested federally funded education programs and other Federal programs determined by the Secretary.

"(g) FINES.—In addition to actions authorized in section 487(c), the Secretary may impose a fine in an amount not to exceed $25,000 on an institution of higher education for failing to provide the information required by this section in a timely and accurate manner, or for failing to otherwise cooperate with the National Center for Education Statistics regarding efforts to obtain data under subsections (c) and (j) and pursuant to the program participation agreement entered into under section 487.

"(h) GAO STUDY AND REPORT.—

"(1) GAO STUDY.—The Comptroller General shall conduct a study of the policies and procedures implemented by institutions in increasing the affordability of postsecondary education. Such study shall include information with respect to—

"(A) a list of those institutions that—

"(i) have reduced their sticker prices; or

"(ii) are within the least costly quartile of institutions within each class described in subsection (e)(6);

"(B) policies implemented to stem the increase in tuition and fees and institutional costs;

"(C) the extent to which room and board costs and prices changed;

"(D) the extent to which other services were altered to affect tuition and fees;

"(E) the extent to which the institution's policies affected student body demographics and time to completion;

"(F) what, if any, operational factors played a role in reducing tuition and fees;

"(G) the extent to which academic quality was affected, and how;

"(H) if the institution is a public institution, the relationship between State and local appropriations and the institution's tuition and fees;

"(I) the extent to which policies and practices reducing costs and prices may be replicated from one institution to another; and

"(J) other information as necessary to determine best practices in increasing the affordability of postsecondary education.

"(2) INTERIM AND FINAL REPORTS.— The Comptroller General shall submit an interim and a final report regarding the findings of the study required by paragraph (1) to the appropriate authorizing committees of Congress. The interim report shall be submitted not later than July 31, 2011, and the final report shall be submitted not later than July 31, 2013.

"(i) STUDENT AID RECIPIENT SURVEY.—

"(1) SURVEY REQUIRED.—The Secretary shall conduct a survey of student aid recipients under title IV on a regular cycle and State-by-State basis, but not less than once every 4 years—

"(A) to identify the population of students receiving Federal student aid;

"(B) to describe the income distribution and other socioeconomic characteristics of federally aided students;

"(C) to describe the combinations of aid from State, Federal, and private sources received by students from all income groups;

"(D) to describe the debt burden of educational loan recipients and their capacity to repay their education debts, and the impact of such debt burden on career choices;

"(E) to describe the role played by the price of postsecondary education in the determination by students of what institution to attend; and

"(F) to describe how the increased costs of textbooks and other instructional materials affects the costs of postsecondary education to students.

"(2) SURVEY DESIGN.—The survey shall be representative of full-time and part-time, undergraduate, graduate, and professional and current and former students in all types of institutions, and designed and administered in consultation with the Congress and the postsecondary education community.

"(3) DISSEMINATION.—The Commissioner of Education Statistics shall disseminate the information resulting from the survey in both printed and electronic form.

"(j) REGULATIONS.—The Secretary is authorized to issue such regulations as may be necessary to carry out the provisions of this section.

"(k) DEFINITIONS.—For the purposes of this section:

"(1) NET TUITION PRICE.—The term 'net tuition price' means the average tuition and fees charged to a first-time, full-time, full-year undergraduate student, minus the average grants provided to such students, for any academic year.

"(2) STICKER PRICE.—The term 'sticker price' means the average tuition and fees charged to a first-time, full-time, full-year

undergraduate student by an institution of higher education for any academic year.

"(3) CPI.—The term 'CPI' means the Consumer Price Index-All Urban Consumers (Current Series).".

SEC. 11. COLLEGE AFFORDABILITY DEMONSTRATION PROJECT.

(a) .—Part G of title IV is amended by inserting after section 486 (20 U.S.C. 1093) the following new section:

"SEC. 486A. COLLEGE AFFORDABILITY DEMONSTRATION PROJECT.

"(a) PURPOSE.—It is the purpose of this section—

"(1) to provide, through a college affordability demonstration project, for increased innovation in the delivery of higher education and student financial aid in a manner resulting in reduced costs for students as well as the institution by employing one or more strategies including accelerating degree or program completion, increasing availability of, and access to, distance components of education delivery, engaging in collaborative arrangements with other institutions and organizations, and other alternative methodologies; and

"(2) to help determine—

"(A) the most effective means of delivering student financial aid as well as quality education;

"(B) the specific statutory and regulatory requirements that should be altered to provide for more efficient and effective delivery of student financial aid, as well as access to high quality distance education programs, resulting in a student more efficiently completing postsecondary education; and

"(C) the most effective methods of obtaining and managing institutional resources.

"(b) DEMONSTRATION PROJECT AUTHORIZED.—

"(1) IN GENERAL.—In accordance with the purposes described in subsection (a) and the provisions of subsection (d), the Secretary is authorized to select not more than 100 institutions of higher education, including those applying as part of systems or consortia of such institutions, for voluntary participation in the College Affordability Demonstration Project in order to enable participating institutions to carry out such purposes by providing programs of postsecondary education, and making available student financial assistance under this title to students enrolled in those programs, in a manner that would not otherwise meet the requirements of this title.

"(2) WAIVERS.—The Secretary is authorized to waive for any institutions of higher education, or any system or consortia of institutions of higher education, selected for participation in the College Affordability Demonstration Project, any requirements of this Act or the regulations thereunder as deemed necessary by the Secretary to meet the purpose described in subsection (a)(1), and shall make a determination that the waiver can reasonably be expected to result in reduced costs to students or institutions without an increase in Federal program costs. The Secretary may not waive under this paragraph the maximum award amounts for an academic year or loan period.

"(3) ELIGIBLE APPLICANTS.—

"(A) ELIGIBLE INSTITUTIONS.—Except as provided in subparagraph (B), only an institution of higher education that is eligible to participate in programs under this title shall be eligible to participate in the demonstration project authorized under this section.

"(B) PROHIBITION.—An institution of higher education described in section 102(a)(1)(C) shall not be eligible to participate in the demonstration project authorized under this section.

"(c) APPLICATION.—

"(1) IN GENERAL.—Each institution or system of institutions desiring to participate in the demonstration project under this section shall submit an application to the Secretary at such time and in such manner as the Secretary may require.

"(2) CONTENTS OF APPLICATIONS.—Each application for the college affordability demonstration project shall include at least the following:

"(A) a description of the institution or system or consortium of institutions and what quality assurance mechanisms are in place to ensure the integrity of the Federal financial aid programs;

"(B) a description of the innovation or innovations being proposed and the affected programs and students, including—

"(i) a description of any collaborative arrangements with other institutions or organizations to reduce costs;

"(ii) a description of any expected economic impact of participation in the project within the community in which the institution is located; and

"(iii) a description of any means the institution will employ to reduce the costs of instructional materials, such as textbooks;

"(C) a description of each regulatory or statutory requirement for which waivers are sought, with a reason for each waiver;

"(D) a description of the expected outcomes of the program changes proposed, including the estimated reductions in costs both for the institution and for students;

"(E) an assurance from each institution in a system or consortium of a commitment to fulfill its role as described in the application;

"(F) an assurance that the participating institution or system of institutions will offer full cooperation with the ongoing evaluations of the demonstration project provided for in this section; and

"(G) any other information or assurances the Secretary may require.

"(d) SELECTION.—In selecting institutions to participate in the demonstration project under this section, the Secretary shall take into account—

"(1) the number and quality of applications received, determined on the basis of the contents required by subsection (c)(2);

"(2) the Department's capacity to oversee and monitor each institution's participation;

"(3) an institution's—

"(A) financial responsibility;

"(B) administrative capability;

"(C) program or programs being offered via distance education, if applicable;

"(D) student completion rates; and

"(E) student loan default rates; and

"(4) the participation of a diverse group of institutions with respect to size, mission, and geographic distribution.

"(e) NOTIFICATION.—The Secretary shall make available to the public and to the authorizing committees a list of institutions selected to participate in the demonstration project authorized by this section. Such notice shall include a listing of the specific statutory and regulatory requirements being waived for each institution and a description of the innovations being demonstrated.

"(f) EVALUATIONS AND REPORTS.—

"(1) EVALUATION.—The Secretary shall evaluate the demonstration project authorized under this section on a biennial basis. Such evaluations specifically shall review—

"(A) the extent to which expected outcomes, including the estimated reductions in cost, were achieved;

"(B) the number and types of students participating in the programs offered, including the progress of participating students toward recognized certificates or degrees and the extent to which participation in such programs increased;

"(C) issues related to student financial assistance associated with the innovations undertaken;

"(D) effective technologies and alternative methodologies for delivering student financial assistance;

"(E) the extent of the cost savings to the institution, the student, and the Federal Government resulting from the waivers provided, and an estimate as to future cost savings for the duration of the demonstration project;

"(F) the extent to which students saved money by completing their postsecondary education sooner;

"(G) the extent to which the institution reduced its tuition and fees and its costs by participating in the demonstration project

"(H) the extent to which any collaborative arrangements with other institutions or organizations have reduced the participating institution's costs; and

"(I) the extent to which statutory or regulatory requirements not waived under the demonstration project present difficulties for students or institutions.

"(2) POLICY ANALYSIS.—The Secretary shall review current policies and identify those policies that present impediments to the implementation of innovations that result in cost savings and in expanding access to education.

"(3) REPORTS.—The Secretary shall provide a report to the authorizing committees on a biennial basis regarding—

"(A) the demonstration project authorized under this section;

"(B) the results of the evaluations conducted under paragraph (1);

"(C) the cost savings to the Federal Government by the demonstration project authorized by this section; and

"(D) recommendations for changes to increase the efficiency and effective delivery of financial aid.

"(g) OVERSIGHT.—In conducting the demonstration project authorized under this section, the Secretary shall, on a continuing basis—

"(1) ensure compliance of institutions or systems of institutions with the requirements of this title (other than the sections and regulations that are waived under subsection (b)(2));

"(2) provide technical assistance to institutions in their application to and participation in the demonstration project;

"(3) monitor fluctuations in the student population enrolled in the participating institutions or systems of institutions;

"(4) monitor changes in financial assistance provided at the institution; and

"(5) consult with appropriate accrediting agencies or associations and appropriate State regulatory authorities.

"(h) TERMINATION OF AUTHORITY.—The authority of the Secretary under this section shall cease to be effective on October 1, 2012.".

SEC. 12. MULTIPLE GRANTS.

(a) AMENDMENT.—Paragraph (5) of section 401(b) (as redesignated by section 7(a)(2) of this Act) is amended to read as follows:

"(5) YEAR-ROUND PELL GRANTS.—The Secretary is authorized, for students enrolled in a baccalaureate degree, associate's degree, or certificate program of study at an eligible institution, to award such students not more than two Pell grants during an award year to permit such students to accelerate progress toward their degree or certificate objectives by enrolling in courses for more than 2 semesters, or 3 quarters, or the equivalent, in a given academic year.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall be effective July 1, 2009.

SEC. 13. DEFERRAL OF LOAN REPAYMENT FOLLOWING ACTIVE DUTY.

Part G of title IV is amended by inserting after section 484B (20 U.S.C. 1091b) the following new section:

"SEC. 484C. DEFERRAL OF LOAN REPAYMENT FOLLOWING ACTIVE DUTY.

"(a) DEFERRAL OF LOAN REPAYMENT FOLLOWING ACTIVE DUTY.—In addition to any deferral of repayment of a loan made under this title pursuant to section 428(b)(1)(M)(iii), 455(f)(2)(C), or 464(c)(2)(A)(ii), a borrower of a loan under this title who is a member of the National Guard or other reserve component of the Armed Forces of the United States, or a member of such Armed Forces in a retired status, is called or ordered to active duty, and is currently enrolled, or was enrolled within six months prior to the activation, in a program of instruction at an eligible institution, shall be eligible for a deferment during the 13 months following the conclusion of such service, except that a deferment under this subsection shall expire upon the borrower's return to enrolled student status.

"(b) ACTIVE DUTY.—Notwithstanding section 481(d), in this section, the term 'active duty' has the meaning given such term in sec-

tion 101(d)(1) of title 10, United States Code, except that such term—

"(1) does not include active duty for training or attendance at a service school; but

"(2) includes, in the case of members of the National Guard, active State duty.".

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