

PROVIDING FOR CONSIDERATION OF THE BILL (H.R. 3221)  
TO AMEND THE HIGHER EDUCATION ACT OF 1965, AND  
FOR OTHER PURPOSES

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SEPTEMBER 15, 2009.—Referred to the House Calendar and ordered to be printed

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Mr. POLIS, from the Committee on Rules,  
submitted the following

R E P O R T

[To accompany H. Res. 746]

The Committee on Rules, having had under consideration House Resolution 746, by a nonrecord vote, 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. 3221, the Student Aid and Fiscal Responsibility Act of 2009, under a structured rule. The resolution provides one hour of general debate equally divided and controlled by the chair and ranking minority member of the Committee on Education and Labor. The resolution waives all points of order against consideration of the bill except clauses 9 and 10 of rule XXI. The resolution provides that the amendment in the nature of a substitute recommended by the Committee on Education and Labor now printed in the bill shall be considered as an original bill for the purpose of amendment and shall be considered as read. The resolution waives all points of order against the amendment in the nature of a substitute except for clause 10 of rule XXI. This waiver does not affect the point of order available under clause 9 of rule XXI (regarding earmark disclosure).

The resolution makes in order only those amendments printed in this report. The amendments made in order may be offered only in the order printed in this report, may be offered only by a Member designated in this report, shall be considered as read, shall be debatable for the time specified in this report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for a division of the question in the House or in the Committee of the Whole. All

points of order against the amendments except for clauses 9 and 10 of rule XXI are waived. The resolution provides one motion to recommit with or without instructions. The resolution provides that the Chair may entertain a motion that the Committee rise only if offered by the chair of the Committee on Education and Labor or his designee and that the Chair may not entertain a motion to strike out the enacting words of the bill (as described in clause 9 of rule XVIII).

#### EXPLANATION OF WAIVERS

The waiver of all points of order against consideration of the bill (except for clauses 9 and 10 of rule XXI), includes a waiver of clause 3(b) of rule XIII regarding the inclusion of record votes in a committee report. The waiver of all points of order against the amendment in the nature of a substitute (except clause 10 of rule XXI), includes a waiver of clause 4 of rule XXI prohibiting appropriations in 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. 246*

Date: September 15, 2009.

Measure: H.R. 3221.

Motion by: Mr. Dreier.

Summary of motion: To grant an open rule.

Results: Defeated 4–7.

Vote by Members: McGovern—Nay; Matsui—Nay; Cardoza—Nay; Arcuri—Nay; Pingree—Nay; Polis—Nay; Dreier—Yea; Diaz-Balart—Yea; Sessions—Yea; Foxx—Yea; Slaughter—Nay.

##### *Rules Committee record vote No. 247*

Date: September 15, 2009.

Measure: H.R. 3221.

Motion by: Mr. Dreier.

Summary of motion: To make in order and provide appropriate waivers for an amendment by Rep. Hoekstra (MI), and Rep. Burton (IN), #27, which would strike the elimination of the Federal Family Education Loan (FFEL) program.

Results: Defeated 4–7.

Vote by Members: McGovern—Nay; Matsui—Nay; Cardoza—Nay; Arcuri—Nay; Pingree—Nay; Polis—Nay; Dreier—Yea; Diaz-Balart—Yea; Sessions—Yea; Foxx—Yea; Slaughter—Nay.

##### *Rules Committee record vote No. 248*

Date: September 15, 2009.

Measure: H.R. 3221.

Motion by: Mr. Diaz-Balart.

Summary of motion: To make in order and provide appropriate waivers for an amendment by Rep. Price, Tom (GA), Castle (DE), #2, which would provide that the Act would fail to take effect if the Secretary of Education, in consultation with the Secretaries of Labor and the Treasury, determines that the provisions of Sec. 201

(ending the FFEL program) will result in more than 5,000 job losses.

Results: Defeated 4–7.

Vote by Members: McGovern—Nay; Matsui—Nay; Cardoza—Nay; Arcuri—Nay; Pingree—Nay; Polis—Nay; Dreier—Yea; Diaz-Balart—Yea; Sessions—Yea; Foxx—Yea; Slaughter—Nay.

*Rules Committee record vote No. 249*

Date: September 15, 2009.

Measure: H.R. 3221.

Motion by: Mr. Sessions.

Summary of Motion: To make in order and provide appropriate waivers for an amendment by Rep. Carter (TX), #3, which would prohibit the Secretary from implementing a full scale Direct Loan program until 80% of schools enter the Direct Loan program voluntarily.

Results: Defeated 4–7.

Vote by Members: McGovern—Nay; Matsui—Nay; Cardoza—Nay; Arcuri—Nay; Pingree—Nay; Polis—Nay; Dreier—Yea; Diaz-Balart—Yea; Sessions—Yea; Foxx—Yea; Slaughter—Nay.

*Rules Committee record vote No. 250*

Date: September 15, 2009.

Measure: H.R. 322.

Motion by: Mr. Sessions.

Summary of motion: To make in order and provide appropriate waivers for an amendment by Rep. Ryan, Paul (WI), #20, which would add a Sense of Congress recommending that the Federal Credit Reform Act of 1990 be updated to require the Congressional Budget Office (CBO) and the Office of Management and Budget (OMB) to adjust for market risk when estimating the budgetary effects of changes to Federal student loan programs.

Results: Defeated 4–8.

Vote by Members: McGovern—Nay; Hastings—Nay; Matsui—Nay; Cardoza—Nay; Arcuri—Nay; Pingree—Nay; Polis—Nay; Dreier—Yea; Diaz-Balart—Yea; Sessions—Yea; Foxx—Yea; Slaughter—Nay.

SUMMARY OF AMENDMENTS TO BE MADE IN ORDER

(Summaries derived from information provided by sponsors.)

1. Miller, George (CA): The Manager's amendment

- makes several clarifications to the authority of the Secretary with respect to the College Access Challenge Grants, State Innovation and Completion Grants, and Innovation in College Access and Competition National Activities Grants;
- ensures that services for veterans under the bill and current law are properly coordinated;
- establishes a program to provide financial assistance to dependent children of a public safety officer (e.g., firefighters, paramedics, other first responders) who died in the line of duty on the same terms as children of military servicemembers who are killed in the line of duty under current law;
- authorizes a program to promote and support teacher excellence;
- makes several clarifications to the loan servicing process;

- makes clarifications to the grants for modernization, renovation, or repair of public school facilities
- replaces a priority provision about state spending with a requirement that the Secretary consider the State's recent financial commitment to early learning when evaluating Quality Pathway grant renewals;
- clarifies the Secretary's authority to award American Graduation Initiative grants to community colleges;
- specifies that Tribal Colleges and Universities are eligible to receive American Graduation Initiative grants;
- requires the Secretary of Education to provide technical assistance to institutions of higher education in operating the Direct Loan program, including assisting institutions with the transition into the program;
- includes library services and information literacy activities as part of the enumerated uses of funds under the list of student support services and workforce programs;
- adds a requirement in the state application of how programs will improve early learning services to better meet the needs of children who have experienced abused or neglect, or have been exposed to violence or toxic stress, homelessness, parental substance abuse or mental illness, or early behavioral and peer relationship problems; and
- clarifies that both part-time and full-time students are eligible to benefit from the Year-Round Pell Grant program. (20 minutes)

2. Hoekstra (MI): The amendment would strike Title III of the bill, which authorizes \$6.6 billion in new mandatory spending to create three Federal school construction programs for elementary and secondary public schools and institutions of higher education, and apply the savings to reduce the Federal deficit. (10 minutes)

3. Cardoza (CA): The amendment would direct the Secretary of Education to prioritize community colleges located in areas with high unemployment rates when awarding grants for community college reform. (10 minutes)

4. McMorris Rodgers (WA): Would limit the ability of certain schools that received funding under the economic stimulus package for school construction from receiving additional money through the new Federal school construction program authorized under this bill. (10 minutes)

5. Pingree (ME): Would add to the list of reserved funds for distressed areas and areas affected by natural disaster direction for the Secretary to reserve funds for local educational agencies that serve a geographic area that contains a military installation selected for base closure. (10 minutes)

6. Pingree (ME), Ross (AR): Would remove the prohibition of funding to community colleges who received funds for construction, modernization, renovation, and repair under the American Recovery and Reinvestment Act of 2009, or under the higher education act of 1965. (10 minutes)

7. Foxx (NC): The amendment would strike entire American Graduation Initiative (but maintain the privacy provisions that apply to the whole Act) and put the savings toward deficit reduction. These privacy provisions ensure that student information is

protected from individuals not authorized to view it and that students cannot be identified by any unique identifier. (10 minutes)

8. Reyes (TX): The amendment would encourage community colleges to use grant money to increase the provision of training for members of the National Guard and Reserves, and men and women returning from active duty. (10 minutes)

9. Etheridge (NC), Welch (VT), Price, David (NC), Pomeroy (ND), Lewis, John (GA), Scott, David (GA), Pingree (ME), Tonko (NY), Matsui (CA): The amendment would clarify that borrower services, including delinquency prevention, default aversion, and loan counseling, are allowed uses of grant funds. The amendment also explicitly authorizes the Department of Education to contract directly with guaranty agencies for funded services. (10 minutes)

10. Driehaus (OH): The amendment would require that states receiving State Innovation Completion Grants have plans to increase postsecondary enrollment and completion among dislocated workers. (10 minutes)

11. Cuellar (TX): The amendment would require the Secretary of Education to conduct outreach activities to educate students and their families about the transition to Federal Direct Lending. (10 minutes)

12. Murphy, Christopher (CT): The amendment would clarify that states may use funds awarded as Quality Pathways Grants under Section 403(a) of Title IV of H.R. 3221 to establish or support partnerships with institutions of higher education that support effective education and training for early learning providers. (10 minutes)

13. Childers (MS): The amendment would require the campus Veterans Resource Officer to act as a link between student veterans and mental health care providers at the Department of Veterans Affairs, in order to help improve college completion rates for veterans. (10 minutes)

14. Adler (NJ): The amendment would give priority for State Innovation Completion grants to entities that promote activities to increase degree or certificate completion for students who are veterans. (10 minutes)

15. Himes (CT), McCarthy, Carolyn (NY), Schwartz (PA): Would make five minor language adjustments to strengthen the financial literacy provisions of the State Innovation Completion Grants, Innovation in College Access and Completion National Activities, and contracting requirements related to private student loan servicers. (10 minutes)

16. Kilroy (OH): Would give priority to “dislocated workers” for community college and state grants. (10 minutes)

17. Minnick (ID): The amendment would allow servicemen and women to transfer academic credits earned while serving in the Armed Forces between institutions of higher education. (10 minutes)

18. Perriello (VA): The amendment would require states to evaluate and report disparities by geographic area (rural and urban) of available high-quality early learning programs for low-income children, and steps the state will take to address the disparity. (10 minutes)

19. Schauer (MI): The amendment would give priority in awarding Federal grants to schools, states, and non-profits to encourage dislocated workers to complete their degrees. (10 minutes)

20. Teague (NM): Would add veterans to the list of priority grantees in Title V. Also, would add to the allowable uses of funds programs that prepare students to enter careers in the Veterans Administration, and occupations in energy-related fields. (10 minutes)

21. Teague (NM): The amendment clarifies that all savings in the bill not otherwise allocated go towards deficit reduction. (10 minutes)

22. Souder (IN): The amendment would strike section 123(d), "Suspension of eligibility for drug-related offenses," reinstating current law. (10 minutes)

23. Flake, Jeff (AZ): The amendment would prohibit funds appropriated under the bill to be used for Congressional earmarks as defined by clause 9(d) of rule XXI of the Rules of the House of Representatives. (10 minutes)

24. Kline, John (MN), Guthrie (KY): Amendment in the nature of a substitute would extend the ECASLA programs through 2014 and create a commission to develop a new private sector model for student lending. (20 minutes)

#### TEXT OF AMENDMENTS TO BE MADE IN ORDER

#### 1. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE GEORGE MILLER OF CALIFORNIA, OR HIS DESIGNEE, DEBATABLE FOR 20 MINUTES

Page 11, after line 21, insert the following new subsection (and redesignate the succeeding subsection accordingly):

(b) MULTIPLE PELL GRANT AWARDS.—Section 401(b)(5) (20 U.S.C. 1070a(b)(5)) is amended—

(1) in subparagraph (A)—

(A) by inserting "who is making satisfactory academic progress according to the institution's standards" after "award a student"; and

(B) by striking "to permit such student to accelerate the student's progress toward a degree or certificate" and inserting "to permit such student to accelerate the student's graduation date, whether making full- or part-time progress toward a degree or certificate,"; and

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

"(C) A student may not receive a combination of first and second scheduled award funds under this paragraph that exceeds the amount the student would otherwise be eligible to receive for the payment period."

Page 11, line 22, redesignate subsection (b) as subsection (c).

Page 13, line 10, redesignate subsection (c) as subsection (d).

Page 13, line 11, strike "(a) and (b)" and insert "(a) and (c)".

Page 12, line 17, strike "483(e)(3)(ii)" and insert "483(e)(3)(A)(ii)".

Page 15, line 8, strike the quotation marks and the second period.

Page 15, after line 8, insert the following:

“(3) EXPIRATION OF AUTHORITY.—The authority to award grants under this part shall expire at the end of fiscal year 2014.”.

Page 19, line 6, strike “two-year and four-year” and insert “public two-year and public four-year”.

Page 19, line 10, insert “in consultation with faculty from participating institutions” after “institutions”.

Page 21, line 4, strike “policies” and insert “practices”.

Page 21, lines 7 through 9, strike “for all categories” and all that follows through “in the State”.

Page 21, line 13, insert “and” after the semicolon.

Page 21, beginning on line 14, strike clause (iv).

Page 21, line 20, strike “(v)” and insert “(iv)”.

Page 23, beginning on line 5, strike paragraph (3) and insert the following:

“(3) SUBGRANTS TO NONPROFIT ORGANIZATIONS.—

“(A) IN GENERAL.—A State receiving a payment under this section may elect to make a subgrant to one or more nonprofit organizations in the State, or a partnership of such organizations, to carry out activities and services described in subsection (d)(1), if the nonprofit organization or partnership—

“(i) was in existence on the day before the date of the enactment of the Student Aid and Fiscal Responsibility Act of 2009; and

“(ii) as of such day, was participating in activities and services related to promoting persistence in, and completion of, postsecondary education, such as the activities and services described in subsection (d)(1).

“(B) NONPROFIT ORGANIZATIONS.—For the purposes of this section, nonprofit organizations in a State include—

“(i) agencies with agreements with the Secretary under subsections (b) and (c) of section 428 on the date of the enactment of the Student Aid and Fiscal Responsibility Act of 2009;

“(ii) nonprofit subsidiaries of agencies described in clause (i), if such subsidiaries were established, pursuant to the law of such State, on or before January 1, 1998; and

“(iii) eligible not-for-profit servicers, as defined in section 456(d), with an agreement with the Secretary under subsection (a)(3) of section 456, except that such a servicer shall only be eligible for a subgrant from the State for which the servicer is receiving an allocation under such agreement.

Page 24, after line 9, insert the following:

“(C) A nonprofit subsidiary of agencies described in subparagraph (B), if such subsidiary was established, pursuant to the law of such State, on or before January 1, 1998.

Page 25, line 3, strike “and”.

Page 25, after line 5, insert the following:

“(vi) assisting institutions of higher education institute programs of persistence focused on students at risk of not completing; and

Page 25, line 5, before the semicolon insert “, in accordance with such section”.

Page 27, beginning on line 1, strike “, at the appropriate stage of development of the partnership”.

Page 27, line 8, strike “central labor coalitions” and insert “trade unions or consortia of trade unions”.

Page 28, beginning on line 17, strike paragraph (3) and insert the following:

“(3) nonprofit organizations with demonstrated experience in the support, improvement, or operation of programs to increase postsecondary completion, including—

“(A) agencies with agreements with the Secretary under subsections (b) and (c) of section 428 on the date of the enactment of the Student Aid and Fiscal Responsibility Act of 2009;

“(B) nonprofit subsidiaries of agencies described in subparagraph (A), if such subsidiaries were established, pursuant to State law, on or before January 1, 1998; and

“(C) eligible not-for-profit servicers, as defined in section 456(d), with an agreement with the Secretary under subsection (a)(3) of section 456, except that such a servicer shall only be eligible for a subgrant from the State for which the servicer is receiving an allocation under such agreement;

Page 33, beginning on line 14, strike section 785 and insert the following:

**“SEC. 785. PARTICIPATION OF PRIVATE, NONPROFIT INSTITUTIONS OF HIGHER EDUCATION.**

“(a) VOLUNTARY PARTICIPATION.—A private, nonprofit institution of higher education may voluntarily elect to participate in a State’s efforts under this part to increase postsecondary enrollment, persistence, and completion. A State—

“(1) shall not require any private, nonprofit institution to participate in such efforts; and

“(2) may require such an institution that voluntarily elects to participate in such efforts to provide appropriate information to allow the State to assess the institution’s progress towards the goals described in subclauses (I) and (II) of section 782(c)(2)(A)(i).

“(b) RULE OF CONSTRUCTION.—Nothing in this part, including voluntary participation described in subsection (a), shall be construed to—

“(1) authorize the Secretary, a State, or an officer or employee of the Department or of a State to exercise any direction, supervision, or control other than that is currently granted over a private, nonprofit institution of higher education, including control over curriculum, program of instruction, administration, governance, personnel, articulation, the awarding of credit, graduation or degree requirements, or admissions;



“(2) authorize the Secretary, a State, or an officer or employee of the Department or of a State to require a private, nonprofit institution of higher education to participate in a longitudinal data system; or

“(3) limit the application of the General Education Provisions Act.

“(c) ENFORCEMENT.—If any State fails or refuses to comply with any provision of this section, the State shall no longer be eligible for assistance under this part.”.

Page 36, line 21, strike “2019.” and insert “2019. The authority to award grants under this section shall expire at the end of fiscal year 2019.”.

Page 38, line 4, insert a period after “318(e)”.

Page 38, line 25, insert a period after “such section”.

Page 39, line 8, after the period insert “The authority to award grants under part N of title VIII of such Act shall expire at the end of fiscal year 2010.”.

Page 40, beginning on line 13, strike “awarded to the student under” and insert “first disbursed to the student before July 1, 2010, under”.

Page 41, line 3, strike “awarded” and insert “disbursed”.

Page 41, strike lines 4 through 9 and insert “student under part D (including a Federal Direct PLUS loan disbursed to a parent on behalf of the student), or first disbursed to the student under part E before July 1, 2010, for such payment period or period of enrollment; minus”.

Page 43, line 16, strike “when such student returns from such service” and insert “upon termination of the deployment of such student for such service”.

Page 43, beginning on line 17, amend section 106 to read as follows:

**SEC. 106. VETERANS RESOURCE OFFICER GRANTS.**

Section 873 (20 U.S.C. 1161t) is amended—

(1) by amending the header to read as follows: **“MODEL PROGRAMS FOR CENTERS OF EXCELLENCE FOR VETERAN STUDENT SUCCESS; VETERANS RESOURCE OFFICERS”**;

(2) in subsection (a), by inserting “, or the hiring of Veterans Resource Officers,” after “model programs”;

(3) by amending subsection (b) to read as follows:

“(b) GRANT AUTHORIZED.—

“(1) IN GENERAL.—Subject to the availability of appropriations under subsection (f), the Secretary shall award grants to institutions of higher education to—

“(A) develop model programs to support veteran student success in postsecondary education; or

“(B) hire a Veterans Resource Officer to increase the college completion rates for veteran students enrolled at such institutions of higher education.

“(2) GRANT PERIOD.—A grant awarded under this section shall be awarded for a period of 3 years.”; and

(4) in subsection (c)—

(A) in paragraph (1)—

- (i) by amending the header to read as follows: “MODEL PROGRAM REQUIRED ACTIVITIES”; and
- (ii) in the matter preceding subparagraph (A), by striking “under this section” and inserting “for the purpose described in subsection (b)(1)(A)”;
- (B) by redesignating paragraph (2) as paragraph (3); and
- (C) by inserting after paragraph (1) the following:
  - “(2) VETERANS RESOURCE OFFICER REQUIRED ACTIVITIES.—An institution of higher education receiving a grant for the purpose described in subsection (b)(1)(B) shall use such grant to hire a Veterans Resource Officer whose duties shall include—
    - “(A) serving as a liaison between—
      - “(i) veteran students;
      - “(ii) the faculty and staff of the institution; and
      - “(iii) local facilities of the Department of Veterans Affairs;
    - “(B) organizing and advising veteran student organizations and hosting veterans-oriented group functions on campus;
    - “(C) distributing news and information to all veteran students, including through maintaining newsletters and listserves; and
    - “(D) assisting in the training of Department of Veterans Affairs certifying officials, when applicable.”.

Page 47, after line 6, insert the following new sections:

**SEC. 107. OFFICER DANIEL FAULKNER CHILDREN OF FALLEN HEROES SCHOLARSHIP.**

(a) **SHORT TITLE.**—This section may be cited as the “Officer Daniel Faulkner Children of Fallen Heroes Scholarship Act of 2009”.

(b) **CALCULATION OF ELIGIBILITY.**—Section 473(b) (20 U.S.C. 1087mm(b)(2)) is amended—

(1) in paragraph (2)—

(A) in the matter preceding subparagraph (A), by inserting “(in the case of a student who meets the requirement of subparagraph (B)(i)), or academic year 2010–2011 (in the case of a student who meets the requirement of subparagraph (B)(ii)),” after “academic year 2009–2010”; and

(B) by amending subparagraph (B) to read as follows:

“(B) whose parent or guardian was—

“(i) a member of the Armed Forces of the United States and died as a result of performing military service in Iraq or Afghanistan after September 11, 2001; or

“(ii) was actively serving as a public safety officer and died in the line of duty while performing as a public safety officer; and”;

(2) in paragraph (3)—

(A) by striking “Notwithstanding” and inserting the following:

“(A) ARMED FORCES.—Notwithstanding”;

(B) by striking “paragraph (2)” and inserting “subparagraphs (A), (B)(i), and (C) of paragraph (2)”;

(C) by adding at the end the following:

“(B) PUBLIC SAFETY OFFICERS.—Notwithstanding any other provision of law, unless the Secretary establishes an alternate method to adjust the expected family contribution, a financial aid administrator shall adjust the expected family contribution in accordance with this subsection for each student who meets the requirements of subparagraphs (A), (B)(ii), and (C) of paragraph (2).”; and (3) by adding at the end the following:

“(4) TREATMENT OF PELL AMOUNT.—Notwithstanding section 1212 of the Omnibus Crime Control and Safe Streets Act of 1968, in the case of a student who receives an increased Federal Pell Grant amount under this section, the total amount of such Federal Pell Grant, including the increase under subparagraph (A), shall not be considered in calculating that student’s educational assistance benefits under the Public Safety Officer’s Benefits program.

“(5) DEFINITIONS.—For purposes of this subsection—

“(A) the term ‘public safety officer’ means an individual serving a public agency in an official capacity, with or without compensation, as a law enforcement officer, as a firefighter, or as a member of a rescue squad or ambulance crew;

“(B) the term ‘law enforcement officer’ means an individual who—

“(i) is authorized by law to engage in or supervise the prevention, detection, investigation, or prosecution of, or the incarceration of any person for, any violation of law; and

“(ii) has statutory powers of arrest or apprehension;

“(C) the term ‘firefighter’ means an individual who is trained in the suppression of fire or hazardous-materials response and has the legal authority to engage in these duties;

“(D) the term ‘member of a rescue squad or ambulance crew’ means an individual who is an officially recognized or designated public employee member of a rescue squad or ambulance crew; and

“(E) the term ‘public agency’ means the United States, any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, the Trust Territory of the Pacific Islands, the Commonwealth of the Northern Mariana Islands, any territory or possession of the United States, or any unit of local government, department, agency, or instrumentality of any of the foregoing, and the Amtrak Police and Federal Reserve Police departments.”.

**SEC. 108. TEACHER EXCELLENCE.**

(a) ESTABLISHMENT.—The Secretary of Education may make grants to local educational agencies for the purpose of improving teacher excellence in public elementary and secondary schools.

(b) USE OF FUNDS.—Grants under this section shall be used for the establishment, expansion, or improvement of—

(1) professional development activities that are aligned to the curriculum and student academic needs;

(2) mentoring and induction programs for new teachers and principals; or

(3) career ladders that allow teachers to take on new professional roles, such as career teachers, mentor teachers, and master teachers.

(c) APPLICATION.—A local educational agency desiring a grant under this section shall submit to the Secretary of Education an application at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2010 and each of the 5 succeeding fiscal years.

Page 48, lines 1 and 2, strike “Grant, a Federal Direct Stafford Loan, or work assistance under” and insert “Grant or a Federal Direct Stafford Loan under”.

Page 50, line 20, insert a period after “section 480)”.

Page 57, line 2, insert “the” after “enactment of”.

Page 59, line 16, through page 60, line 3, strike paragraph (1) and insert the following:

(1) in subsection (a)(4)(A), by inserting “, and first disbursed before July 1, 2010” after “under this part”;

Page 62, line 7, strike the comma after “2010”.

Page 62, line 3, strike the comma after “428C”.

Page 65, line 7, strike “; and” and insert “; or”.

Page 65, line 15, after “loan” insert “(or, if the holder acts as eligible lender trustee for the beneficial owner of the loan, the beneficial owner of the loan),”.

Page 65, line 23, through page 66, line 13, strike subclause (III) and insert the following:

“(III) TERMS OF WAIVER.—

“(aa) IN GENERAL.—A waiver pursuant to subclause (II)(bb) shall be in a form (printed or electronic) prescribed by the Secretary, and shall be applicable to—

“(AA) all loans described in such subclause that the lender holds solely in its own right under any lender identification number associated with the holder (pursuant to section 487B);

“(BB) all loans described in such subclause for which the beneficial owner has the authority to make an election of a waiver under such subclause, regardless of the lender identification number associated with the loan or the lender that holds the loan as eligible lender trustee on behalf of such beneficial owner; and

“(CC) all future calculations of the special allowance on loans that, on the date of such waiver, are loans described in subitem (AA) or (BB), or that, after such

date, become loans described in subitem (AA) or (BB).

“(bb) EXCEPTIONS.—Any waiver pursuant to subclause (II)(bb) that is elected for loans described in subitem (AA) or (BB) of item (aa) shall not apply to any loan described in such subitem for which the lender or beneficial owner of the loan demonstrates to the satisfaction of the Secretary that—

“(AA) in accordance with an agreement entered into before the date of enactment of the Student Aid and Fiscal Responsibility Act of 2009 by which such lender or owner is governed and that applies to such loans, such lender or owner is not legally permitted to make an election of such waiver with respect to such loans without the approval of one or more third parties with an interest in the loans, and that the lender or owner followed all available options under such agreement to obtain such approval, and was unable to do so; or

“(BB) such lender or beneficial owner presented the proposal of electing such a waiver applicable to such loans associated with an obligation rated by a nationally recognized statistical rating organization (as defined in section 3(a)(62) of the Securities Exchange Act of 1934), and such rating organization provided a written opinion that the agency would downgrade the rating applicable to such obligation if the lender or owner elected such a waiver.”.

Page 66, line 18, after “any loan” insert “in which the Secretary has purchased a participation interest and”.

Page 66, beginning on line 21, strike “and that is held” and all that follows through “the Secretary” on line 23.

Page 69, beginning on line 15, strike paragraph (2) and insert the following:

(2) EFFECTIVE DATE.—The amendments made by subparagraph (C) of paragraph (1) shall be effective as if enacted as part of section 102(a)(1) of the Higher Education Opportunity Act, in accordance with section 102(e) of such Act, as amended by section 101(a)(2) of Public Law 111–39.

Page 71, line 24, insert “located in the United States” before “at which”.

Page 72, line 7, insert “(employed in the United States)” after “employees”.

Page 72, line 20, after “2009,” insert “nonprofit subsidiaries of such an agency,”.

Page 72, line 21, after “agencies” insert “, subsidiaries,”.

Page 72, line 24, after “agencies” insert “, subsidiaries,”.

Page 73, line 5, strike “State agencies, and” and insert “agencies, subsidiaries, and”.

Page 73, line 9, strike “State agencies and” and insert “such agencies, subsidiaries, and”.

Page 73, line 10, strike “such”.

Page 74, line 1, strike “one or more” and insert “at least one”.

Page 74, strike “may take” on line 12 through “the servicer.” on line 13, and insert “shall set such rate so that (i) the rate is commercially reasonable in relation to the volume of loans being serviced by the eligible not-for-profit servicers, and (ii) in the Secretary’s judgment, the eligible not-for-profit servicers can reasonably provide any additional services, such as default aversion or outreach, provided for in the contracts awarded under this paragraph.”.

Page 74, beginning on line 22, strike “on an annual basis” and insert “each year”.

Page 75, line 13, strike “on an annual basis” and insert “each year”.

Page 76, beginning on line 9, strike subparagraph (C) and insert the following:

“(C) LOAN SERVICING RETENTION.—

“(i) IN GENERAL.—In addition to any new loans allocated to a servicers under subparagraph (B)(ii), an eligible not-for-profit servicer shall retain the servicing of loans allocated to such servicer in previous years, except as provided in clause (ii), or as otherwise provided for in accordance with the terms of a contract under this paragraph.

“(ii) TRANSFERS FOR MULTIPLE LOANS.—Notwithstanding clause (i) and the allocations required by subparagraph (B), the Secretary may transfer loans among servicers who are awarded contracts to service loans pursuant to this section to ensure that the loans of any single borrower remain with a single servicer.

Page 76, line 17, strike “3 years” and insert “5 years”.

Page 77, beginning on line 14, strike “, including due diligence activities required pursuant to regulations”.

Page 77, beginning on line 16, strike paragraph (2) and insert the following:

“(2) ELIGIBLE NOT-FOR-PROFIT SERVICER.—

“(A) IN GENERAL.—The term ‘eligible not-for-profit servicer’ means an entity—

“(i) that is not owned or controlled in whole or in part by—

“(I) a for profit entity; or

“(II) a nonprofit entity having its principal place of business in another State; and

“(ii) that—

“(I) as of July 1, 2009—

“(aa) meets the definition of an eligible not-for-profit holder under section 435(p), except

that such term does not include eligible lenders described in paragraph (1)(D) of such section; and

“(bb) was performing, or had entered into a contract with a third party servicer (as such term is defined in section 481(c)) who was performing, student loan servicing functions for loans made under part B of this title;

“(II) notwithstanding subclause (I), as of July 1, 2009—

“(aa) is the sole beneficial owner of a loan for which the special allowance rate is calculated under section 438(b)(2)(I)(vi)(II) because the loan is held by an eligible lender trustee that is an eligible not-for-profit holder as defined under section 435(p)(1)(D); and

“(bb) was performing, or had entered into a contract with a third party servicer (as such term is defined in section 481(c)) who was performing, student loan servicing functions for loans made under part B of this title; or

“(III) is an affiliated entity of an eligible not-for-profit servicer described in subclause (I) or (II) that—

“(aa) directly employs, or will directly employ (on or before the date the entity begins servicing loans under a contract awarded by the Secretary pursuant to subsection (a)(3)(A)), the majority of individuals who perform borrower-specific student loan servicing functions; and

“(bb) as of July 1, 2009, was performing, or had entered into a contract with a third party servicer (as such term is defined in section 481(c)) who was performing, student loan servicing functions for loans made under part B of this title.

“(B) AFFILIATED ENTITY.—For the purposes of subparagraph (A), the term ‘affiliated entity’—

“(i) means an entity contracted to perform services for an eligible not-for-profit servicer that—

“(I) is a nonprofit entity or is wholly owned by a nonprofit entity; and

“(II) is not owned or controlled, in whole or in part, by—

“(aa) a for-profit entity; or

“(bb) an entity having its principal place of business in another State; and

“(ii) may include an affiliated entity that is established by an eligible not-for-profit servicer after the date of enactment of the Student Aid and Fiscal Responsibility Act of 2009, if such affiliated entity is otherwise described in subparagraph (A)(ii)(III) and clause (i) of this subparagraph.

**SEC. 216. TECHNICAL ASSISTANCE TO INSTITUTIONS OF HIGHER EDUCATION.**

Section 458(a) (20 U.S.C. 1087h(a)) is amended—

(1) by redesignating paragraph (5) as paragraph (6); and

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

“(5) TECHNICAL ASSISTANCE TO INSTITUTIONS OF HIGHER EDUCATION.—

“(A) PROVISION OF ASSISTANCE.—The Secretary shall provide institutions of higher education participating, or seeking to participate, in the loan programs under this part with technical assistance in establishing and administering such programs, including assistance for an institution of higher education during such institution’s transition into such programs. Such assistance may include technical support, training for personnel, customized assistance to individual institutions of higher education, development of informational materials, and other services the Secretary determines to be appropriate.

“(B) FUNDS.—There are—

“(i) authorized to be appropriated, and there are appropriated, to carry out this paragraph (in addition to any other amounts appropriated to carry out this subparagraph and out of any money in the Treasury not otherwise appropriated), \$50,000,000 for fiscal year 2010; and

“(ii) authorized to be appropriated such sums as may be necessary to carry out this paragraph for fiscal years 2011 through 2014.”.

Page 84, line 8, insert “(except as provided in paragraphs (3) and (4))” after “as follows”.

Page 85, after line 12, insert the following new paragraphs:

“(3) REQUIRED MINIMUM AMOUNT.—Notwithstanding paragraph (1), in no case shall the sum of a participating institution’s allocation of loan authority computed under subsections (c), (d), and (e) be less than the average of the institution’s total principal amount of loans made under this part for each of the academic years 2003–2004 through 2007–2008.

“(4) ADDITIONAL ADJUSTMENTS.—If the Secretary determines that the sum of a participating institution’s allocation of loan authority under subsections (c), (d), and (e) is below the minimum amount required under paragraph (3), the Secretary shall—

“(A) for each institution for which the minimum amount under paragraph (3) is not satisfied, increase the amount of such sum to the amount of the required minimum under such paragraph; and

“(B) ratably reduce the amount of the sum of such loan authority of all participating institutions not described in subparagraph (A).

Page 87, beginning on line 20, strike paragraph (3).

Page 88, beginning on line 1, strike paragraph (4).

Page 96, line 14, insert “in” after “specified”.

Page 97, line 8, strike “(a)”.



Page 105, line 2, strike the period after the second semicolon and insert “and”.

Page 105, strike lines 3 through 20, and insert the following:

(3) in paragraph (2), by adding at the end the following new subparagraph:

“(C) EXCEPTION.—Notwithstanding subparagraphs (A) and (B), an institution that fails to meet the requirements of subsection (a)(24) for two consecutive institutional fiscal years, and the second such institutional fiscal year ends after July 1, 2008, and before July 1, 2011, shall not be determined ineligible in accordance with subparagraph (A) unless the institution fails to meet the requirements of subsection (a)(24) for a third consecutive institutional fiscal year.”

Page 111, line 22, insert “, including life-cycle cost effectiveness,” before “and waste”.

Page 117, beginning on line 7 strike “including, where applicable, early learning facilities, based” and insert “(including early learning facilities, as appropriate), based”.

Page 122, line 11, insert “(including early learning facilities, as appropriate)” after “facilities”.

Page 131, after line 7, insert the following:

(d) TERMINATION.—The authority to establish and maintain the Advisory Council under this section shall expire at the close of September 30, 2011.

Page 132, after line 6, insert the following:

(d) SUNSET.—The authority to award grants under this subtitle shall expire at the end of fiscal year 2011.

Page 138, after line 8, insert the following:

“(K) Expansion or building of computer lab facilities, including facilities used to provide information technology training to students and members of the public.”

Page 138, line 9, redesignate subparagraph (K) as subparagraph (L).

Page 138, line 12, redesignate subparagraph (L) as subparagraph (M).

Page 141, line 1, strike “(f)” and insert “(e)”.

Page 141, line 16, strike “(g)” and insert “(f)”.

Page 141, line 21, strike “(h)” and insert “(g)”.

Page 143, line 10, strike “(i)” and insert “(h)”.

Page 143, strike line 15, and insert the following: “year 2010, which shall remain available until expended. The authority to award grants under this section shall expire at the end of fiscal year 2010.”

Page 144, line 7, strike “, and improve” and insert “and”.

Page 146, line 8, after “children” insert “, including programs receiving funds under section 611(h)(4) and 643(b) of the Individuals with Disabilities Education Act (20 U.S.C. 1411(h)(4); 1443(b))”.

Page 146, beginning on line 23, strike “determined by the Secretary to qualify for receipt of” and insert “with an approved application for”.

Page 148, line 10, after the semicolon, insert “and”.

Page 148, strike lines 11 through 14.

Page 148, line 15, strike “(3)” and insert “(2)”.

Page 151, line 18, strike “and” at the end.

Page 151, line 22, strike the period at the end and insert “; and”.

Page 151, after line 22, insert the following:

(E) committing State resources for supporting early learning programs and services.

Page 154, line 24, strike “, as appropriate,”.

Page 154, line 25, after “standards” insert “, as appropriate,”.

Page 156, line 3, after “including” insert “the”.

Page 156, line 6, strike “providers” and insert “early learning programs”.

Page 157, line 22, before “program” insert “early learning”.

Page 158, line 1, before “disability,” insert “dental, developmental delay and”.

Page 161, after line 20, insert the following:

(14) A description of how the State will implement a process for improving the quality of early learning services to better meet the needs of children who have experienced abuse or neglect, been exposed to violence, toxic stress, parental substance abuse, mental illness, or homelessness, or have had early behavioral and peer relationship problems, including addressing appropriate professional development, programmatic practices, classroom environment, and outreach and support to meet the needs of such children.

Page 161, line 21, redesignate paragraph (14) as paragraph (15).

Page 165, line 5, insert “early learning” before “program”.

Page 165, line 13, before “disability,” insert “dental, developmental delay and”.

Page 167, line 5, strike “services,” and insert “services (or, if the State can demonstrate that it is already meeting the needs of such children in such manner, the State may apply to expand access for disadvantaged children in such manner and the State’s application may not be adversely treated due to such request),”.

Page 168, line 16, strike “to” and insert “that”.

Page 168, line 18, strike “allow a State to become eligible and competitive” and insert “improve a State’s competitiveness”.

Page 171, line 24, strike “could include determining” and insert “may include”.

Page 172, line 1, after “(i)” insert “examining”.

Page 172, line 4, after “(ii)” insert “examining”.

Page 172, line 6, after “(iii)” insert “examining”.

Page 172, line 9, after “(iv)” insert “examining”.

Page 172, line 12, after “(v)” insert “examining”.

Page 172, line 14, strike “and” at the end.

Page 172, line 15, after “(vi)” insert “examining”.

Page 172, after line 20, insert the following:

(vii) Supporting the development of valid and reliable assessments of young children and program quality, including in domains including language, literacy, mathematics, science, social and emotional development, and approaches to learning, with particular attention to development of assessments of domains for which there are few appropriate assessments, that are—

(I) developmentally, linguistically, and culturally appropriate for the population served, including children with disabilities and children with limited English proficiency;

(II) consistent with relevant, nationally recognized professional and technical standards related to the assessment of young children;

(III) consistent with the guidelines on assessment for improved practice and for accountability in the National Research Council Committee on Developmental Outcomes and Assessments for Young Children; and

Beginning on page 172, strike line 23 through page 173, line 6, and insert the following:

(4) Not later than 18 months after the date of the enactment of this Act, conducting a review of the statewide strategic reports developed by the State Advisory Councils on Early Care and Education (established pursuant to section 642B(b)(1)(A) of the Head Start Act (42 U.S.C. 9837b(b)(1)(A))) and other relevant information (including information reported by States under section 406(b)(9)) to evaluate barriers to increasing access to high-quality early learning programs for low-income children, reporting on the findings of such review, and disseminating relevant findings and best practices.

Page 174, line 12, before “progress” insert “State’s”.

Page 174, line 24, strike “providers” and insert “early learning programs”.

Page 175, line 1, strike “providers” and insert “early learning programs”.

Page 175, line 7, strike “proficient” and insert “proficiency”.

Page 175, line 10, after “providers” insert “and early learning programs”.

Page 175, line 18, strike “appropriate”.

Page 177, line 19, after “2017.” insert “The authority to award grants under this title shall expire at the end of fiscal year 2017.”.

Page 178, line 4, after “2019.” insert “The authority to award grants under this title shall expire at the end of fiscal year 2019.”.

Page 179, strike line 7, and insert “In this title:”.

Page 179, line 20, insert “that has at least one articulation agreement with a 4-year institution of higher education” after “district”.

Page 179, line 22, insert “that has at least one articulation agreement with an institution of higher education” after “school”.

Page 180, after line 6, insert the following:

(D) a Tribal College or University;

Page 180, line 7, strike “(D)” and insert “(E)”.

Page 180, lines 9 and 10, strike “or (C)” and insert “(C), or (D)”.

Page 180, line 11, strike “(E)” and insert “(F)”.

Page 180, beginning on line 15, strike clause (ii) and insert the following:

(ii) has established and implemented a comprehensive articulation agreement between or among public institutions of higher education in the State that includes outlining the acceptability of community college courses in transfer for credit at public 4-year institutions in the State; and

Page 180, line 20, strike “or (D); or” and insert “(D), or (E);”.

Page 180, line 21, strike “(F)” and insert “(G)”

Page 180, line 22, strike “(E).” and insert “(F); or”.

Page 180, after line 22, insert the following:

(H) at the discretion of the Secretary, a private, not-for-profit, 2-year institution of higher education in Puerto Rico, the District of Columbia, Guam, the United States Virgin Islands, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau.

Page 182, after line 6, insert the following:

(12) TRIBAL COLLEGE OR UNIVERSITY.—The term “Tribal College or University” has the meaning given such term in section 316 of the Higher Education Act of 1965 (20 U.S.C. 1059c).

Page 182, beginning on line 7, strike subsection (b).

Page 183, line 8, strike “(D)” and insert “(E)”.

Page 184, line 9, after “same” insert “specific”.

Page 184, line 10, after “Federal” insert “grant”.

Page 185, line 20, strike “or”.

Page 185, line 24, strike the period and insert “; or”.

Page 185, after line 24, insert the following:

(3) are focused on serving low-income, nontraditional students (as defined in section 803(j) of the Higher Education Act of 1965 (20 U.S.C. 1161c(j))), who do not have a bachelor’s degree.

Page 187, after line 6, insert the following:

(4) EXCEPTION.—This subsection shall not apply to Tribal Colleges and Universities.

Page 188, line 19, strike “and” after the semicolon.

Page 188, line 22, strike the period and insert “; and”.

Page 188, after line 22, insert the following:

(10) how the eligible entity will incorporate and support faculty and staff of the institution in meeting the goals of such programs, services, and policies.

Page 189, line 6, strike “(D)” and insert “(E)”.

Page 190, line 3, strike “and”.

Page 190, line 6, strike the period and insert “; and”.

Page 190, after line 6, insert the following:

(D) library services, including information literacy activities, to—

(i) help increase postsecondary degree, certificate, and industry-recognized credential completion rates, particularly with respect to groups underrepresented in higher education; and

(ii) assist individuals with obtaining and retaining employment.

Page 190, line 11, insert “, information literacy,” after “skills”.

Page 191, line 5, strike “(D)” and insert “(E)”.

Page 191, line 13, strike “(D)” and insert “(E)”.

Page 191, beginning on line 17, strike “Improving the timeliness of the process for creating” and insert “Creating, in a timely and efficient manner,”.

Page 191, line 20, strike “(D)” and insert “(E)”.

Page 192, after line 2, insert the following:

“(8) Providing information technology training for students and members of the public seeking to improve their computer literacy and information technology skills through public accessibility to—

“(A) community college computer labs; and

“(B) information technology training provided on weeknights and weekends by an employee of a community college who is capable of basic computer instruction.”.

Page 192, lines 6 and 7, strike “applicable)” and insert “applicable to the institution’s use of funds provided under this section)”.

Page 196, line 5, strike “subsection (e)” and insert “subsection (f)”.

Page 196, beginning on line 25, strike “subsection (g)” and insert “subsection (h)”.

Page 197, after line 3, insert the following:

(d) PRIORITY.—In awarding grants under this section, the Secretary shall give priority to applications focused on serving low-income, nontraditional students (as defined in section 803(j) of the Higher Education Act of 1965 (20 U.S.C. 1161c(j))), who do not have a bachelor’s degree.

Page 197, line 4, redesignate subsection (d) as subsection (e).

Page 197, line 9, strike “subsection (f)” and insert “subsection (g)”.

Page 197, line 14, strike “subsection (f)” and insert “subsection (g)”.

Page 198, line 7, redesignate subsection (e) as subsection (f).

Page 198, line 13, strike “subsection (f)” and insert “subsection (g)”.

Page 198, line 23, strike “subsection (g)” and insert “subsection (h)”.

Page 199, line 20, redesignate subsection (f) as subsection (g).

Page 200, line 4, redesignate subsection (g) as subsection (h).

Page 200, line 8, strike “section 503(f)(1)” and insert “section 503(g)(1)”.

Page 200, line 13, redesignate subsection (h) as subsection (i).

Page 200, line 22, strike “subsection (g)” and insert “subsection (h)”.

Page 201, line 6, redesignate subsection (i) as subsection (k).

Page 201, line 15, strike “will” and insert “should”.

Page 201, line 18, strike “will” and insert “should”.

Page 202, beginning on line 2, strike “training, high school courses, and postsecondary education courses” and insert “courses, including instructional materials, for training and postsecondary education readiness and success”.

Page 203, line 9, insert “faculty,” after “students,”.

Page 209, after line 2, insert the following:

(d) EVALUATION.—From the amounts appropriated to carry out this section, the Secretary shall, not later than 30 days after the date of the enactment of this Act, allocate not less than \$1,000,000 for the contract with, and report by, the National Research Council required under section 1107(c)(2) of the Higher Education Opportunity Act (Public Law 110–315).

(e) MODEL TO DETERMINE CREDIT TRANSFERABILITY.—From the amounts appropriated to carry out this section, the Secretary may develop a model, which leverages existing technologies if appropriate, of a service that enables students to determine the transferability of credits between institutions of higher education voluntarily participating in such service.

Page 209, line 3, redesignate subsection (d) as subsection (f).

Conform the Table of Contents accordingly.

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## 2. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE HOEKSTRA OF MICHIGAN, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Strike title III of the Bill, and redesignate titles IV and V as titles III and IV, respectively.

Redesignate sections 401 through 409 as sections 301 through 309, respectively.

Redesignate sections 501 through 505 as sections 401 through 405, respectively.

Page 144, line 23, strike “section 403” and insert “section 303”.

Page 145, line 1, strike “section 404” and insert “section 304”.

Page 145, line 4, and page 174, lines 3 and 14, strike “section 403(c)(3)” and insert “section 303(c)(3)”.

Page 145, line 17, and page 174, line 5, strike “section 405” and insert “section 305”.

Page 147, line 4, strike “404” and insert “304”.

Page 148, line 10, strike “section 403(f)” and insert “section 303(f)”.

Page 150, line 15, strike “section 405(2)” and insert “section 305(f)”.

Page 151, lines 4 and 25, page 153, lines 8 and 12, page 162, lines 2 and 17, page 163, line 1, page 166, lines 18 and 23, page 168, line 4 and 19, and page 175, line 25, strike “section 402(a)” and insert “section 302(a)”.

Page 151, line 21, strike “section 405(1)” and insert “section 305(1)”.

Page 153, line 13, and page 162, line 6, strike “section 402(d)” and insert “section 302(d)”.

Page 168, line 10, 15, and 21, page 169, line 2, and page 170, line 7, strike “section 402(b)” and insert “section 302(b)”.

Page 168, line 17, strike “section 402(c)(3)” and insert “section 302(c)(3)”.

Page 170, line 11, strike “section 402(c)(1)” and insert “section 302(c)(1)”.

Page 178, line 9, strike “503” and insert “403”.

Page 178, line 12, strike “504” and insert “404”.

Page 178, lines 15 and 18, strike “section 505” and insert “section 405”.

Page 178, beginning on line 20, strike “sections 503 and 504” and insert “sections 403 and 404”.

Page 179, line 3, strike “sections 503 and 504” and insert “sections 403 and 404”.

Page 183, line 8, strike “section 502(a)(3)” and insert “section 402(a)(3)”.

Page 184, line 6, and page 194, line 10, strike “section 501(b)(1)” and insert “section 401(b)(1)”.

Page 188, line 15, strike “section 505(b)” and insert “section 405(b)”.

Page 189, line 6, and page 191, lines 5, 13, and 20, strike “section 502(a)(3)” and insert “section 402(a)(3)”.

Page 196, line 2, and page 200, line 1, strike “503(i)” and insert “403(i)”.

Page 200, line 8, strike “section 503(f)(1)” and insert “section 403(f)(1)”.

Conform the table of contents accordingly.

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3. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE CARDOZA OF CALIFORNIA, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 185, line 20, strike “or”; on line 24, strike the period and insert “; or”; and after line 24, insert the following new paragraph:

(3) are community colleges located in areas with high unemployment rates.

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4. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE MCMORRIS RODGERS OF WASHINGTON, OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 118, beginning on line 8, strike section 331 and insert the following:

**SEC. 331. IMPERMISSIBLE USES OF FUNDS AND CONCURRENT FUNDING.**

(a) IN GENERAL.—No funds received under this subtitle may be used for—

- (1) payment of maintenance costs, including routine repairs classified as current expenditures under State or local law;
- (2) stadiums or other facilities primarily used for athletic contests or exhibitions or other events for which admission is charged to the general public;
- (3) improvement or construction of facilities the purpose of which is not the education of children, including central office administration or operations or logistical support facilities; or
- (4) purchasing carbon offsets.

(b) FUNDING UNDER OTHER ACTS.—Funds made available under this title shall not be used to assist any local educational agency that receives funding for the construction, modernization, renovation, and repair of facilities under the American Recovery and Reinvestment Act of 2009.

Conform the table of contents accordingly.

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5. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE PINGREE OF MAINE, OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 109, line 24, strike “and”.

Page 110, line 5, strike the period at the end and insert “; and”.

Page 110, after line 5, insert the following:

“(C) local educational agencies serving geographic areas that contain a military installation selected for closure under the base closure and realignment process pursuant to the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).”

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6. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE PINGREE OF MAINE, OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 140, beginning on line 18, strike subsection (e) and insert the following:

“(e) CONCURRENT FUNDING.—Funds made available under this section shall not be used to assist any community college that receives funding for the construction, modernization, renovation, and repair of facilities under any other program under this Act”.

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7. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE FOXX OF NORTH CAROLINA, OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 27, beginning on line 20, strike “has the meaning given” and all that follows through “2009” and insert “refers to a State public employment service established under the Wagner-Peyser Act (29 U.S.C. 49 et seq.)”.

Page 27, line 25, strike “have the meanings given” and all that follows through page 28, line 2, and insert “refer to a State workforce investment board established under section 111 of the Workforce Investment Act (29 U.S.C. 2821) and a local workforce investment board established under section 117 of such Act (29 U.S.C. 2832), respectively.”

Amend title V of the Bill to read as follows:



## TITLE V—PRIVACY AND ACCESS TO DATA

### SEC. 501. PRIVACY AND ACCESS TO DATA.

(a) IN GENERAL.—Each State or consortia that receives a grant under any provision of this Act shall implement measures to—

(1) ensure that the statewide longitudinal data system under this subsection and any other data system the State or consortia is operating for the purposes of this Act meet the requirements of section 444 of the General Education Provisions Act (20 U.S.C. 1232g) (commonly known as the “Family Educational Rights and Privacy Act of 1974”);

(2) limit the use of information in any such data system by governmental agencies in the State, including State agencies, State educational authorities, local educational agencies, community colleges, and institutions of higher education, to education and workforce related activities under this Act or education and workforce related activities otherwise permitted by Federal or State law;

(3) prohibit the disclosure of personally identifiable information except as permitted under section 444 of the General Education Provisions Act and any additional limitations set forth in State law;

(4) keep an accurate accounting of the date, nature, and purpose of each disclosure of personally identifiable information in any such data system, a description of the information disclosed, and the name and address of the person, agency, institution, or entity to whom the disclosure is made, which accounting shall be made available on request to parents of any student whose information has been disclosed;

(5) notwithstanding section 444 of the General Education Provisions Act, require any non-governmental party obtaining personally identifiable information to sign a data use agreement prior to disclosure that—

(A) prohibits the party from further disclosing the information;

(B) prohibits the party from using the information for any purpose other than the purpose specified in the agreement; and

(C) requires the party to destroy the information when the purpose for which the disclosure was made is accomplished;

(6) maintain adequate security measures to ensure the confidentiality and integrity of any such data system, such as protecting a student record from identification by a unique identifier;

(7) where rights are provided to parents under this clause, provide those rights to the student instead of the parent if the student has reached the age of 18 or is enrolled in a postsecondary educational institution; and

(8) ensure adequate enforcement of the requirements of this paragraph.

(b) USE OF UNIQUE IDENTIFIERS.—It shall be unlawful for any Federal, State, or local governmental agency to—

(1) use the unique identifiers employed in such data systems for any purpose other than as authorized by Federal or State law; or

(2) deny any individual any right, benefit, or privilege provided by law because of such individual's refusal to disclose the individual's unique identifier.

Conform the table of contents accordingly.

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8. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE REYES OF TEXAS, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 191, line 15, after "students" insert ", including students who are veterans or members of the National Guard or Reserves,".

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9. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE ETHERIDGE OF NORTH CAROLINA, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 24, after line 24, insert the following:

“(iii) providing loan counseling, loan delinquency, and default aversion assistance to student loan borrowers and institutions of higher education;

Page 25, line 1, redesignate clause (iii) as clause (iv).

Page 25, line 4, redesignate clause (iv) as clause (v).

Page 76, line 15, strike “and”.

Page 76, after line 15, insert the following:

(2) in subsection (b)—

(A) in the subsection header, by striking “ORIGINATION, SERVICING, AND DATA SYSTEMS” and inserting “ORIGINATION, SERVICING, DELINQUENCY PREVENTION AND DEFAULT AVERSION SERVICES, DEFAULT COLLECTIONS, OUTREACH, AND DATA SYSTEMS”;

(B) in the matter preceding paragraph (1), by striking “The Secretary may” and inserting “(1) IN GENERAL.—The Secretary may”;

(C) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), and moving such subparagraphs two ems to the right;

(D) in subparagraph (C) (as redesignated by subparagraph (C) of this paragraph), by striking “and” after the semicolon;

(E) by redesignating subparagraph (D) (as redesignated by subparagraph (C) of this paragraph) as subparagraph (E);

(F) by inserting after subparagraph (C) (as so redesignated) the following new subparagraph:

“(D) delinquency prevention and default aversion services, default collections, financial aid counseling, career and education counseling, financial literacy, guidance counselor and financial aid officer training services, and other outreach services; and”;

(G) by adding at the end the following:

“(2) LIMITATION.—The Secretary may enter into contracts for the services described in paragraph (1)(D) with—

“(A) agencies with agreements with the Secretary under subsections (b) and (c) of section 428 on the date of enactment of the Student Aid and Fiscal Responsibility Act of 2009, that are providing such services on such date and that meet the qualifications determined by the Secretary; or

“(B) nonprofit subsidiaries of agencies described in subparagraph (A), if such subsidiaries were established, pursuant to State law, on or before January 1, 1998, and meet the qualifications determined by the Secretary.”; and

Page 76, line 16, redesignate paragraph (2) as paragraph (3).

10. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE DRIEHAUS OF OHIO, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 21, after line 9, insert the following:

(iii) encourages State policies that are designed to improve rates of enrollment and re-enrollment of dislocated workers in postsecondary education;

Page 21, line 10, redesignate clause (iii) as clause (iv).

Page 21, line 14, redesignate clause (iv) as clause (v).

Page 26, after line 19, insert the following:

(1) DISLOCATED WORKER.—The term “dislocated worker” has the meaning given such term in section 101(9) of the Workforce Investment Act of 1998 (29 U.S.C. 2801(9)).

Page 26, line 20, redesignate paragraph (1) as paragraph (2).

Page 27, line 18, redesignate paragraph (2) as paragraph (3).

Page 27, line 22, redesignate paragraph (3) as paragraph (4).

11. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE CUELLAR OF TEXAS, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 80, after line 22, insert the following new section (and conform the table of contents accordingly):

**SEC. 216. OUTREACH EFFORTS.**

(a) OUTREACH ACTIVITIES REQUIRED.—The Secretary of Education shall conduct outreach activities in accordance with this section to inform and educate students and their families about the transition to Federal Direct lending under the amendments made by this title to title IV of the Higher Education Act of 1965.

(b) REQUIRED COMPONENTS OF OUTREACH.—The Secretary shall provide for the broad dissemination of information on such amendments and shall—

(1) operate and maintain an Internet website through which individuals may obtain information on changes made to the Federal Family Education Loan programs and the Federal Direct Loan programs;

(2) develop and disseminate information to high school seniors and their parents concerning student loans and student aid;

(3) provide assistance to institutions of higher education to educate students on the repayment of Federal Direct loans; and

(4) ensure that all outreach efforts are developed using plain language and are culturally- and language-appropriate.

(c) USE OF OTHER ENTITIES.—In carrying out this subsection, the Secretary may work with other appropriate entities to facilitate the dissemination of information under this section and to provide assistance as described in this section.

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12. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE MURPHY OF CONNECTICUT, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 163, line 22, insert “(which may include establishing or supporting partnerships with institutions of higher education (as such term is defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001) to support such education and training)” after “providers”.

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13. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE CHILDERS OF MISSISSIPPI, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 43, beginning on line 17, amend section 106 (and conform the Table of Contents accordingly) to read as follows:

**SEC. 106. VETERANS RESOURCE OFFICER GRANTS.**

Section 873 (20 U.S.C. 1161t) is amended—

(1) by amending the header to read as follows: “**MODEL PROGRAMS FOR CENTERS OF EXCELLENCE FOR VETERAN STUDENT SUCCESS; VETERANS RESOURCE OFFICERS**”;

(2) in subsection (a), by inserting “, or Veterans Resource Officers,” after “model programs”;

(3) by amending subsection (b) to read as follows:

“(b) GRANT AUTHORIZED.—

“(1) IN GENERAL.—Subject to the availability of appropriations under subsection (f), the Secretary shall award grants to institutions of higher education to—

“(A) develop model programs to support veteran student success in postsecondary education; or

“(B) hire a Veterans Resource Officer to increase the college completion rates for veteran students enrolled at such institutions of higher education.

“(2) GRANT PERIOD.—A grant awarded under this section shall be awarded for a period of 3 years.”; and

(4) in subsection (c)—

(A) in paragraph (1)—

(i) by amending the header to read as follows: “MODEL PROGRAM REQUIRED ACTIVITIES”; and

(ii) in the matter preceding subparagraph (A), by striking “under this section” and inserting “for the purpose described in subsection (b)(1)(A)”;

(B) by redesignating paragraph (2) as paragraph (3); and

(C) by inserting after paragraph (1) the following:

“(2) VETERANS RESOURCE OFFICER REQUIRED ACTIVITIES.—An institution of higher education receiving a grant for the purpose described in subsection (b)(1)(B) shall use such grant to hire a Veterans Resource Officer whose duties shall include—

“(A) serving as a liaison between—

“(i) veteran students;

- “(ii) the faculty and staff of the institution;
- “(iii) local facilities of the Department of Veterans Affairs; and
- “(iv) mental healthcare providers at the Department of Veterans Affairs to ensure that veteran students are referred to such providers if needed; and
- “(B) organizing and advising veteran student organizations and hosting veterans-oriented group functions on campus;
- “(C) distributing news and information to all veteran students, including through maintaining newsletters and listserves; and
- “(D) assisting in the training of Department of Veterans Affairs certifying officials, when applicable.”.

14. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE ADLER OF NEW JERSEY, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 31, line 10, redesignate subparagraph (D) as subparagraph (E).

Page 31, line 17, redesignate subparagraph (E) as subparagraph (F).

Page 31, after line 9, insert the following:

- (D) include activities to increase degree or certificate completion for students who are veterans;

15. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE HIMES OF CONNECTICUT, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 21, after line 9, insert the following:

- (iii) encourages the full use of State resources in support of financial literacy programs;

Page 21, line 10, redesignate clause (iii) as clause (iv).

Page 21, line 14, redesignate clause (iv) as clause (v).

Page 21, line 20, redesignate clause (v) as clause (vi).

Page 25, line 3, strike “and”.

Page 25, after line 5, insert the following:

- “(v) programs to provide financial literacy education and counseling to elementary, secondary, and postsecondary students that include an examination of how financial planning may impact a student’s ability to pursue postsecondary education; and”.

Page 31, after line 9, insert the following:

- “(D) include activities that enhance the financial literacy and awareness of students who are potentially eligible for assistance under this Act, especially those students from groups that are traditionally underrepresented in postsecondary education;”.

Page 31, line 10, redesignate subparagraph (D) as subparagraph (E).

Page 31, line 17, redesignate subparagraph (E) as subparagraph (F).

Page 77, line 7, insert “, including financial literacy programs,” before “(if any)”.

Page 80, beginning on line 1, amend subparagraph (B) to read as follows:

“(B) deliver a wide range of financial literacy and counseling tools to equip students with the information necessary to make prudent decisions concerning their educational success and financial well-being.”.

16. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE KILROY OF OHIO, OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 185, beginning on line 21, strike paragraph (2) and insert the following:

(2) are institutions of higher education eligible for assistance under title III or V of the Higher Education Act of 1965, or consortia that include such an institution; or

(3) are focused on serving low-income, non-traditional students (as defined in section 803(j) of the Higher Education Act of 1965 (20 U.S.C. 1161c(j))), or students who are dislocated workers, who do not have a bachelor’s degree.

Page 196, beginning on line 21, strike subsection (c) and all that follows through page 197, line 5, and insert the following:

(c) GRANT DURATION; RENEWAL.—A grant awarded under this section shall be awarded to an eligible State for a 6-year period, except that if the Secretary determines that the eligible State has not made demonstrable progress in achieving the benchmarks developed pursuant to subsection (h) by the end of the third year of the grant period, non further grant funds shall be made available to the entity after the date of such determination.

(d) PRIORITY.—In awarding grants under this section, the Secretary shall give priority to applications focused on serving low-income, nontraditional students (as defined in section 803(j) of the Higher Education Act of 1965 (20 U.S.C. 1161c(j))), or students who are dislocated workers, who do not have a bachelor’s degree.

(e) FEDERAL AND NON-FEDERAL SHARE; SUPPLEMENT, NOT SUPPLANT.—

17. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE MINNICK OF IDAHO, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 193, line 8, amend clause (iv) to read as follows:

(iv) transfer of general education credits, including education credits earned while serving in the Armed Forces, between institutions of higher education, as applicable;

18. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE PERRIELLO OF VIRGINIA, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 161, line 21, redesignate paragraph (14) as paragraph (15). Page 161, after line 20, insert the following:

(14) A description of any disparity by geographic area (urban and rural) of available high-quality early learning programs for low-income children and the steps the State will take to decrease such disparity, if applicable.

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19. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE SCHAUER OF MICHIGAN, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 31, line 10, redesignate subparagraph (D) as subparagraph (E).

Page 31, line 17, redesignate subparagraph (E) as subparagraph (F).

Page 31, after line 9, insert the following:

(D) include activities to encourage dislocated workers (as such term is defined in section 101(9) of the Workforce Investment Act of 1998 (29 U.S.C. 2801(9)) to complete post-secondary education opportunities;

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20. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE TEAGUE OF NEW MEXICO, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 182, after line 20, insert the following:

(7) Are students who are veterans.

Page 192, after line 2, insert the following:

(8) Expanding, enhancing, or creating academic programs or training programs that focus on preparing students for skilled occupations in energy-related fields, which may be carried out in partnership with employers and may include other relevant partners, that provide relevant job-skill training (including apprenticeships and worksite learning and training opportunities) for skilled occupations in high-demand industries.

(9) Expanding, enhancing, or creating academic programs or training programs that prepare students for occupations critical to serving veterans, including occupations within the Department of Veterans Affairs health care system.

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21. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE TEAGUE OF NEW MEXICO, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 5, after line 7, insert the following new section (and conform the table of contents accordingly):

**SEC. 4. USE OF SAVINGS FOR DEBT REDUCTION.**

All savings in Federal expenditures not otherwise expended as a result of the enactment of this Act shall be made available for the reduction of the Federal deficit.

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22. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE SOUDER OF INDIANA, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 55, beginning on line 8, strike subsection (d).

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23. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE FLAKE OF ARIZONA, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 5, after line 7, insert the following new section (and conform the table of contents accordingly):

**SEC. 4. PROHIBITION ON EARMARKS.**

None of the funds appropriated pursuant to this Act may be used for a Congressional earmark as defined in clause 9(d) of rule XXI of the Rules of the House of Representatives.

24. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE KLINE OF MINNESOTA, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Strike all after the enacting clause and insert the following:

**SEC. 1. SHORT TITLE.**

This Act may be cited as the “Ensuring Student Choice and Competition Act of 2009”.

**SEC. 2. EXTENSION OF ENSURING CONTINUED ACCESS AND STUDENT LOANS ACT.**

Section 459A of the Higher Education Act of 1965 (20 U.S.C. 1087i-1) is amended—

(1) in subsection (a)(1), by striking “July 1, 2010” and inserting “July 1, 2014”;

(2) in subsection (e)—

(A) in paragraph (1)(A), by striking “September 30, 2010” and inserting “September 30, 2014”;

(B) in paragraph (2)—

(i) by striking “February 15, 2011” and inserting “February 15, 2015”; and

(ii) by striking “September 30, 2010” and inserting “September 30, 2014”; and

(C) in paragraph (3), by striking “2010, and 2011” and inserting “2010, 2011, 2012, 2013, 2014, and 2015”;

(3) in subsection (f), by striking “July 1, 2010” and inserting “July 1, 2014”; and

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

“(g) SPECIAL RULE.—

“(1) IN GENERAL.—Subject to paragraph (2), in carrying out the program under this section, the Secretary shall continue, until June 30, 2014, to carry out the 3 programs described in the Federal Register notices published pursuant to subsection (a)(2) of this section, as such programs were in effect on the day before the date of enactment of the Ensuring Student Choice and Competition Act of 2009.

“(2) LOAN PARTICIPATION PURCHASE PROGRAM.—Notwithstanding any provision of law to the contrary or the terms and conditions of the programs described in the Federal Register notices published pursuant to subsection (a)(2), an eligible lender participating in the loan participation purchase program shall not, prior to July 1, 2014, be required to—

“(A) make a redemption payment with respect to each eligible loan purchased by the Secretary; or

“(B) exercise the put option with respect to each such loan.



“(3) DEFINITIONS.—The terms ‘redemption payment’ and ‘put option’ refer to the redemption payment and put option described in the summary of the terms and conditions of the loan participation purchase program (73 Federal Register 127, July 1, 2008).”.

**SEC. 3. STUDY OF FFEL PROGRAM ALTERNATIVES.**

(a) **STUDY REQUIRED.**—

(1) **IN GENERAL.**—The Comptroller General of the United States, the Secretary of Education, and the Secretary of the Treasury, in consultation with the study group described in paragraph (2), shall conduct a study to identify and make recommendations for the development of a Federal student loan program that incorporates a strong public-private partnership between the Federal Government and the private sector.

(2) **STUDY GROUP.**—The Comptroller General of the United States, the Secretary of Education, and the Secretary of the Treasury shall convene a study group which shall include—

(A) the Director of the Office of Management and Budget;

(B) the Director of the Congressional Budget Office;

(C) representatives of entities making loans under part B of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.);

(D) representatives of other entities in the financial services community;

(E) representatives of other participants in the student loan programs; and

(F) such other individuals as the Comptroller General of the United States, the Secretary of Education, and the Secretary of the Treasury may designate.

(b) **DESIGN OF THE STUDY.**—The study conducted under this section shall identify recommendations for a new model for maintaining a strong public-private partnership for student lending. Such model shall be designed to achieve the following objectives:

(1) Use private capital in loan origination.

(2) Produce sufficient market competition among loan providers to ensure that students and families have choices in Federal student loans.

(3) Avoid waste, fraud, and abuse.

(c) **FACTORS.**—The study group shall consider the following factors in developing recommendations for a model that meets the objectives described in subsection (b):

(1) The ability of lenders, guaranty agencies, and loan servicers to provide top-quality customer service, default aversion activities, and financial literacy activities.

(2) The use of in-school subsidies or flexible repayment options to ensure that borrowers are able to successfully repay their loans.

(3) The ability of the program to be streamlined for ease of administration and understanding by institutions of higher education, students, and families.

(4) The stability of the program during times of economic disruption by uncontrollable market forces.

(5) The use of market mechanisms in determining lender return on student loans, while continuing to meet the other ob-

jectives of the programs under parts B and D of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq; 1087a et seq.), including the provision of loans to all eligible students.

(6) The feasibility of requiring borrowers to repay loans through income tax withholding.

(d) PRELIMINARY REPORT AND PUBLICATION OF STUDY.—

(1) PRELIMINARY REPORT.—Not later than July 1, 2012, the study group shall prepare a preliminary report on the recommendations of the study conducted under this section, including any additional or dissenting views with respect to the findings, available to the public with a 60-day request for public comment. The study group shall review the public comments.

(2) FINAL REPORT.—Not later than January 1, 2013, the Comptroller General of the United States, the Secretary of Education, and Secretary of the Treasury shall submit a final report on the recommendations of the study, including any additional or dissenting views, to the Committee on Education and Labor of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate.

**SEC. 4. REVISED SPECIAL ALLOWANCE CALCULATION.**

(a) REVISED CALCULATION RULE.—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 clause:

“(vii) REVISED CALCULATION RULE TO REFLECT FINANCIAL MARKET CONDITIONS.—

“(I) CALCULATION BASED ON LIBOR.—For the calendar quarter beginning on October 1, 2009, and each subsequent calendar quarter, in computing the special allowance paid pursuant to this subsection with respect to loans described in subclause (II), clause (i)(I) of this subparagraph shall be applied by substituting ‘of the 1-month London Inter Bank Offered Rate (LIBOR) for United States dollars in effect for each of the days in such quarter as compiled and released by the British Bankers Association’ for ‘of the quotes of the 3-month commercial paper (financial) rates in effect for each of the days in such quarter as reported by the Federal Reserve in Publication H–15 (or its successor) for such 3-month period’.

“(II) LOANS ELIGIBLE FOR LIBOR-BASED CALCULATION.—The special allowance paid pursuant to this subsection shall be calculated as described in subclause (I) with respect to special allowance payments for the 3-month period ending December 31, 2009, and each succeeding 3-month period, on loans for which the first disbursement is made—

“(aa) on or after the date of enactment of the Student Aid and Fiscal Responsibility Act of 2009, and before July 1, 2010; and

“(bb) on or after January 1, 2000, and before the date of enactment of the Student Aid and Fiscal Responsibility Act of 2009, if, not

later than the last day of the second full fiscal quarter after the date of enactment of such Act, the holder of the loan affirmatively and permanently waives all contractual, statutory or other legal rights to a special allowance paid pursuant to this subsection that is calculated using the formula in effect at the time the loans were first disbursed.

“(III) TERMS OF WAIVER.—A waiver pursuant to subclause (II)(bb) shall—

“(aa) be applicable to all loans described in such subclause that are held under any lender identification number associated with the holder (pursuant to section 487B); and

“(bb) apply with respect to all future calculations of the special allowance on loans described in such subclause that are held on the date of such waiver or that are acquired by the holder after such date.

“(IV) PARTICIPANT’S YIELD.—For the calendar quarter beginning on October 1, 2009, and each subsequent calendar quarter, the Secretary’s participant yield in any loan for which the first disbursement is made on or after January 1, 2000, and before October 1, 2009, and that is held by a lender that has sold any participation interest in such loan to the Secretary shall be determined by using the LIBOR-based rate described in subclause (I) as the substitute rate (for the commercial paper rate) referred to in the participation agreement between the Secretary and such lender.”;

(b) CONFORMING AMENDMENT.—Section 438(b)(2)(I) of the Higher Education Act of 1965 (20 U.S.C. 1087–1(b)(2)(I)) is further amended—

(1) in clause (i)(II), by striking “such average bond equivalent rate” and inserting “the rate determined under subclause (I)”; and

(2) in clause (v)(III) by striking “(iv), and (vi)” and inserting “(iv), (vi), and (vii)”.

**SEC. 5. AUTHORIZATION AND APPROPRIATION OF FUNDS.**

Section 401A(e)(1)(E) of the Higher Education Act of 1965 (U.S.C. 1070a-1(e)(1)(E)) is amended by striking “\$1,010,000,000” and inserting “\$250,000,000”.