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(Original Signature of Member)

116TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

To give middle-class families access to the maximum Federal Pell Grant, to increase college transparency, and State maintenance of efforts, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

Mr. CARBAJAL introduced the following bill; which was referred to the Committee on \_\_\_\_\_

\_\_\_\_\_  
**A BILL**

To give middle-class families access to the maximum Federal Pell Grant, to increase college transparency, and State maintenance of efforts, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Degrees Not Debt Act  
5 of 2019”.

1 **SEC. 2. INCREASE IN THE MAXIMUM AMOUNT OF A FED-**  
2 **ERAL PELL GRANT.**

3 Section 401(b)(7)(C) of the Higher Education Act of  
4 1965 (20 U.S.C. 1070a(b)(7)(C)) is amended—

5 (1) in clause (i)(I), by striking “clause (iv)(II)”  
6 and inserting “clause (v)(II)”;

7 (2) in clause (ii)(I), by striking “clause (iv)(II)”  
8 and inserting “clause (v)(II)”;

9 (3) by redesignating clauses (iii) and (iv) as  
10 clauses (iv) and (v), respectively;

11 (4) by inserting after clause (ii) the following:

12 “(iii) AWARD YEAR 2019–2020.—For  
13 award year 2019–2020, the amount deter-  
14 mined under this subparagraph for pur-  
15 poses of subparagraph (B)(iii) shall be  
16 equal to—

17 “(I) \$10,000; reduced by

18 “(II) the maximum Federal Pell  
19 Grant for which a student would be  
20 eligible using the criteria provided  
21 under section 479; and

22 “(III) rounded to the nearest  
23 \$5.”; and

24 (5) by striking clause (iv), as redesignated by  
25 paragraph (3), and inserting the following:

1 “(iv) SUBSEQUENT AWARD YEARS.—  
2 For award year 2020–2021 and each sub-  
3 sequent award year, the amount deter-  
4 mined under this subparagraph for pur-  
5 poses of subparagraph (B)(iii) shall be  
6 equal to—

7 “(I) the amount determined  
8 under this subparagraph for the pre-  
9 ceding award year; increased by

10 “(II) a percentage equal to the  
11 annual adjustment percentage for the  
12 award year for which the amount  
13 under this subparagraph is being de-  
14 termined; and

15 “(III) rounded to the nearest  
16 \$5.”.

17 **SEC. 3. INCREASE FAMILY INCOME THRESHOLD FOR DE-**  
18 **TERMINATION OF EXPECTED FAMILY CON-**  
19 **TRIBUTION EQUAL TO ZERO.**

20 (a) IN GENERAL.—Section 479 of the Higher Edu-  
21 cation Act of 1965 (20 U.S.C. 1087ss) is amended to read  
22 as follows:

23 **“SEC. 479. SIMPLIFIED APPLICATION.**

24 “(a) SIMPLIFIED APPLICATION SECTION.—

1           “(1) IN GENERAL.—The Secretary shall develop  
2           and use an easily identifiable simplified application  
3           section as part of the common financial reporting  
4           form prescribed under section 483(a) for families de-  
5           scribed in subsection (b).

6           “(2) REDUCED DATA REQUIREMENTS.—The  
7           simplified application form shall in the case of a  
8           family meeting the requirements of subsection (b),  
9           permit such family to be treated as having an ex-  
10          pected family contribution equal to zero for purposes  
11          of establishing such eligibility and to submit only the  
12          data elements required to make a determination  
13          under subsection (b).

14          “(b) ZERO EXPECTED FAMILY CONTRIBUTION.—  
15          The Secretary shall consider an applicant to have an ex-  
16          pected family contribution equal to zero if—

17                 “(1) in the case of a dependent student, the  
18                 sum of the adjusted gross income of the student’s  
19                 parents is less than or equal to 250 percent of the  
20                 poverty line (as defined by the Office of Manage-  
21                 ment and Budget, and revised annually in accord-  
22                 ance with section 673(2) of the Community Services  
23                 Block Grant Act (42 U.S.C. 9902(2))) applicable to  
24                 a family of the size involved;

1           “(2) in the case of an independent student with  
2 dependents other than a spouse, the sum of the ad-  
3 justed gross income of the student and the student’s  
4 spouse (if appropriate) is less than or equal to 250  
5 percent of the poverty line (as defined by the Office  
6 of Management and Budget, and revised annually in  
7 accordance with section 673(2) of the Community  
8 Services Block Grant Act (42 U.S.C. 9902(2))) ap-  
9 plicable to a family of the size involved; or

10           “(3) in the case of an independent student  
11 without dependents other than a spouse, the sum of  
12 the adjusted gross income of the student and the  
13 student’s spouse (if appropriate) is less than or  
14 equal to 250 percent of the poverty line (as defined  
15 by the Office of Management and Budget, and re-  
16 vised annually in accordance with section 673(2) of  
17 the Community Services Block Grant Act (42 U.S.C.  
18 9902(2))) applicable to a family of the size involved.

19           “(c) ADJUSTMENTS.—An individual is not required  
20 to qualify or file for the earned income credit in order to  
21 be eligible under this subsection. The Secretary shall an-  
22 nually adjust the income level necessary to qualify an ap-  
23 plicant for the zero expected family contribution. The in-  
24 come level shall be adjusted according to increases in the  
25 Consumer Price Index, as defined in section 478(f).”.

1 (b) ADJUSTMENTS IN INCOME PROTECTION ALLOW-  
2 ANCES.—For each academic year, the Secretary of Edu-  
3 cation shall continue to publish in the Federal Register  
4 a revised table of income protection allowances pursuant  
5 to section 478(b)(1)(A) of the Higher Education Act of  
6 1965 (20 U.S.C. 1087rr(b)(1)(A)).

7 **SEC. 4. STATE RESPONSIBILITY.**

8 (a) MAINTENANCE OF EFFORT REQUIREMENTS.—  
9 Section 401 of the Higher Education Act of 1965 (20  
10 U.S.C. 1070a) is amended by adding at the end the fol-  
11 lowing:

12 “(k) INSTITUTIONAL INELIGIBILITY BASED ON FAIL-  
13 URE OF STATE TO MAINTAIN HIGHER EDUCATION AP-  
14 PROPRIATIONS LEVEL.—

15 “(1) IN GENERAL.—Each State that receives  
16 funds under this Act shall maintain expenditures  
17 and State financial aid for institutions of higher  
18 education in the State, with respect to a fiscal year,  
19 at an amount that is equal to or more than the aver-  
20 age amount of State expenditures and State finan-  
21 cial aid for institutions of higher education in the  
22 State for the 10 fiscal years preceding such fiscal  
23 year.

24 “(2) CONSEQUENCES OF FAILURE TO MAINTAIN  
25 EFFORT.—Notwithstanding any other provision of

1 law and beginning 5 years after the date of enact-  
2 ment of the Degrees Not Debt Act of 2019, the Sec-  
3 retary shall not make a payment under this subpart  
4 to an institution of higher education for a fiscal year  
5 for the purpose of making a Federal Pell Grant to  
6 eligible students in attendance at such institution  
7 and any such student shall not be eligible to receive  
8 a Federal Pell Grant for attendance at such institu-  
9 tion for the fiscal year, if the institution—

10 “(A) is an institution of higher education,  
11 as defined in section 102; and

12 “(B) is located in a State that has not  
13 maintained expenditures and State financial aid  
14 for institutions of higher education in the State,  
15 with respect to the fiscal year, at an amount  
16 that is equal to or more than the average  
17 amount of State expenditures and State finan-  
18 cial aid for institutions of higher education in  
19 the State for the 5 fiscal years preceding such  
20 fiscal year.

21 “(3) WAIVER.—The Secretary may waive the  
22 requirement of paragraph (1) for a State, for one  
23 fiscal year at a time, and the provisions of para-  
24 graph (2) shall have no effect for such fiscal year if  
25 the Secretary determines that granting a waiver

1 would be equitable due to exceptional or uncontrol-  
2 lable circumstances such as a natural disaster or a  
3 precipitous and unforeseen decline in the financial  
4 resources of the State.”.

5 **SEC. 5. COLLEGE AND UNIVERSITY RESPONSIBILITY.**

6 (a) PROGRAM PARTICIPATION AGREEMENTS.—Sec-  
7 tion 487 of the Higher Education Act of 1965 (20 U.S.C.  
8 1094) is amended—

9 (1) in subsection (a), by adding at the end the  
10 following:

11 “(30) The institution will put a prominent link  
12 on the homepage of the institution’s primary website  
13 that goes directly to a report of a standard set of  
14 key performance indicators with respect to the insti-  
15 tution, as described in subsection (k).”; and

16 (2) by adding at the end the following:

17 “(k) PERFORMANCE INDICATORS.—

18 “(1) IN GENERAL.—The key performance indi-  
19 cators under this subsection are the following:

20 “(A)(i) Graduation rates—

21 “(I) at 100 percent of the normal  
22 time for graduation;

23 “(II) at 150 percent of the nor-  
24 mal time for graduation;



1                   “(III) at 200 percent of the nor-  
2                   mal time for graduation; and

3                   “(IV) each of which is  
4                   disaggregated by age (25 years old  
5                   and younger, and older than 25 years  
6                   old), income, race and ethnicity, and  
7                   first-generation college status.

8                   “(ii) Transfer out rates. Each such  
9                   rate shall be disaggregated by age (25  
10                  years old and younger, and older than 25  
11                  years old), income, race and ethnicity, and  
12                  first-generation college status.

13                  “(iii) Withdrawal rates, including  
14                  rates of students who withdraw from a cer-  
15                  tificate program to seek employment in a  
16                  related field of study.

17                  “(B) Employment outcomes, including the  
18                  following:

19                         “(i) The average salary of a graduate  
20                         3 years after graduation.

21                         “(ii) The percentage of graduates  
22                         who, 180 days after graduation—

23                                 “(I) are employed full time;

24                                 “(II) are employed part-time;

1                   “(III) are employed in the grad-  
2                   uate’s field of study or certificate; and

3                   “(IV) make more than \$25,000 a  
4                   year.

5                   “(iii) The cohort repayment rate.

6                   “(C) Student satisfaction rate as indicated  
7                   by a survey of all students and recent alumni  
8                   with the following 2 questions using a 5-point  
9                   Likert scale:

10                   “(i) How satisfied are you with your  
11                   educational experience at [name of institu-  
12                   tion]?

13                   “(ii) If you were making the decision  
14                   today, how likely would you be to choose to  
15                   attend [name of institution] again?

16                   “(D) The percentage of students who con-  
17                   tinue enrollment at the institution after the  
18                   first year of enrollment.

19                   “(E) The average net price for the institu-  
20                   tion’s most recent cohort of graduates,  
21                   disaggregated by income quartile.

22                   “(F) The average annual net price for full-  
23                   time attendance, broken out by tuition, fees, liv-  
24                   ing costs, and other (indirect) costs.

1           “(G) The median time to degree comple-  
2           tion.

3           “(H) The percentage of enrolled students  
4           with student loan debt.

5           “(I) The average student loan debt at time  
6           of graduation for the most recent cohort of  
7           graduates who borrowed money.

8           “(J) The average student loan debt at time  
9           of withdrawal for the most recent cohort of  
10          non-graduates who borrowed money.

11          “(2) COHORT REPAYMENT RATE.—

12           “(A) IN GENERAL.—In this subsection, the  
13          term ‘cohort repayment rate’ means, for any  
14          fiscal year beginning with fiscal year 2023—

15           “(i) in the case in which 30 or more  
16          borrowers at the institution enter repay-  
17          ment on Federal Direct Stafford Loans,  
18          Federal Direct Unsubsidized Stafford  
19          Loans, Federal Direct PLUS Loans, or  
20          Federal Direct Consolidation Loans, re-  
21          ceived for attendance at the institution, the  
22          percentage of those borrowers who are not  
23          in default and who make at least a one  
24          dollar reduction on their initial student  
25          loan principal balance before the end of the

1 second fiscal year following the fiscal year  
2 in which the borrowers entered repayment,  
3 except as provided in subparagraph (B);  
4 and

5 “(ii) in the case in which less than 30  
6 borrowers at the institution enter repay-  
7 ment on Federal Direct Stafford Loans,  
8 Federal Direct Unsubsidized Stafford  
9 Loans, Federal Direct PLUS Loans, or  
10 Federal Direct Consolidation Loans, re-  
11 ceived for attendance at the institution, the  
12 percentage of those borrowers plus all of  
13 the borrowers at the institution who en-  
14 tered repayment on such loans (or on the  
15 portion of a loan made under section 428C  
16 that is used to repay any such loans) in  
17 the 3 fiscal years preceding the fiscal year  
18 for which the determination is made, who  
19 are not in default and who make at least  
20 a one dollar reduction on their initial stu-  
21 dent loan principal balance before the end  
22 of the second fiscal year following the year  
23 in which the borrowers entered repayment,  
24 except as provided in subparagraph (B).

1           “(B) EXCEPTION.—The ‘cohort repayment  
2 rate’ calculation under subparagraph (A) shall  
3 not include in the calculation a borrower who  
4 is—

5           “(i) in deferment on repayment of a  
6 loan described in subparagraph (A) due to  
7 study in an approved graduate fellowship  
8 program or in an approved rehabilitation  
9 training program for the disabled;

10           “(ii) in deferment on repayment of a  
11 loan described in subparagraph (A) during  
12 a period of at least half-time enrollment in  
13 college or a career school;

14           “(iii) in deferment on repayment of a  
15 loan described in subparagraph (A) during  
16 a period of service qualifying for loan dis-  
17 charge or cancellation under part E;

18           “(iv) in deferment on repayment of a  
19 loan described in subparagraph (A) due to  
20 active duty military service of the borrower  
21 during a war, military operation, or na-  
22 tional emergency;

23           “(v) in deferment on repayment of a  
24 loan described in subparagraph (A) during  
25 the 13 months following the conclusion of

1           qualifying active duty military service by  
2           the borrower, or until the borrower returns  
3           to enrollment on at least a half-time basis,  
4           whichever is earlier, if the borrower is a  
5           member of the National Guard or other re-  
6           serve component of the Armed Forces and  
7           was called or ordered to active duty while  
8           enrolled at least half-time at an eligible  
9           school or within 6 months of having been  
10          enrolled at least half-time;

11           “(vi) in mandatory forbearance on re-  
12          payment of a loan described in subpara-  
13          graph (A) for the full fiscal year; or

14           “(vii) serving as a volunteer under the  
15          Peace Corps Act (22 U.S.C. 2501 et seq.)  
16          or the Domestic Volunteer Service Act of  
17          1973 (42 U.S.C. 4950 et seq.).

18           “(3) NEW DATA POINTS.—The Secretary shall  
19          work with the National Center for Education Statis-  
20          tics to identify new data points that need to be col-  
21          lected to assist colleges and universities with the col-  
22          lection, organization, and distribution of key per-  
23          formance indicators and cohort repayment rates.

24           “(4) GUIDANCE.—The Secretary shall issue  
25          guidance, with input from stakeholders, to facilitate

1 the data collection and display of key performance  
2 indicators.”.

3 (b) ENHANCED DATA COLLECTION FOR INSTITU-  
4 TIONS WITH ENROLLMENT RATES OF LESS THAN 5,000  
5 STUDENTS.—Section 489(a) of the Higher Education Act  
6 of 1965 (20 U.S.C. 1096(a)) is amended—

7 (1) in the first sentence, by inserting “(or, in  
8 the case of an institution with an enrollment of less  
9 than 5,000 students, \$6)” after “\$5”; and

10 (2) by adding at the end the following: “In ad-  
11 dition, the Secretary shall provide funds to assist  
12 small institutions of higher education, with enroll-  
13 ment rates of less than 5,000 students, with data  
14 collection, organization, and distribution of perform-  
15 ance indicators and cohort repayment rates.”.

16 **SEC. 6. REPEAL OF INCREASED ALTERNATIVE MINIMUM**  
17 **TAX EXEMPTION AMOUNT FOR INDIVIDUALS.**

18 (a) IN GENERAL.—Section 55(d) of the Internal Rev-  
19 enue Code of 1986 is amended by striking paragraph (4).

20 (b) EFFECTIVE DATE.—The amendment made by  
21 this section shall apply to taxable years beginning after  
22 December 31, 2018.

1 **SEC. 7. REPEAL OF INCREASED ESTATE AND GIFT TAX EX-**  
2 **EMPTION.**

3 (a) **IN GENERAL.**—Section 2010(c)(3) of the Internal  
4 Revenue Code of 1986 is amended by striking “January  
5 1, 2026” and inserting “the date of the enactment of the  
6 Degrees Not Debt Act of 2019”.

7 (b) **EFFECTIVE DATE.**—The amendment made by  
8 this section shall apply to estates of decedents dying and  
9 gifts made after the date of the enactment of this Act.