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.

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 Representatives of the United States of America in Congress assembled,

2  SECTIOn 1. Short Title.

3  This Act may be cited as the “Degrees Not Debt Act of 2019”.
SEC. 2. INCREASE IN THE MAXIMUM AMOUNT OF A FEDERAL PELL GRANT.

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

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

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

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

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

“(iii) AWARD YEAR 2019–2020.—For award year 2019–2020, the amount determined under this subparagraph for purposes of subparagraph (B)(iii) shall be equal to—

“(I) $10,000; reduced by

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

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

(5) by striking clause (iv), as redesignated by paragraph (3), and inserting the following:
“(iv) Subsequent Award Years.—

For award year 2020–2021 and each subsequent award year, the amount determined under this subparagraph for purposes of subparagraph (B)(iii) shall be equal to—

“(I) the amount determined under this subparagraph for the preceding award year; increased by

“(II) a percentage equal to the annual adjustment percentage for the award year for which the amount under this subparagraph is being determined; and

“(III) rounded to the nearest $5.”.

SEC. 3. INCREASE FAMILY INCOME THRESHOLD FOR DETERMINATION OF EXPECTED FAMILY CONTRIBUTION EQUAL TO ZERO.

(a) In General.—Section 479 of the Higher Education Act of 1965 (20 U.S.C. 1087ss) is amended to read as follows:

“SEC. 479. SIMPLIFIED APPLICATION.

“(a) Simplified Application Section.—
“(1) IN GENERAL.—The Secretary shall develop and use an easily identifiable simplified application section as part of the common financial reporting form prescribed under section 483(a) for families described in subsection (b).

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

“(b) ZERO EXPECTED FAMILY CONTRIBUTION.—The Secretary shall consider an applicant to have an expected family contribution equal to zero if—

“(1) in the case of a dependent student, the sum of the adjusted gross income of the student’s parents is less than or equal to 250 percent of the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))) applicable to a family of the size involved;
“(2) in the case of an independent student with dependents other than a spouse, the sum of the adjusted gross income of the student and the student’s spouse (if appropriate) is less than or equal to 250 percent of the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))) applicable to a family of the size involved; or

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

“(c) Adjustments.—An individual is not required to qualify or file for the earned income credit in order to be eligible under this subsection. The Secretary shall annually adjust the income level necessary to qualify an applicant for the zero expected family contribution. The income level shall be adjusted according to increases in the Consumer Price Index, as defined in section 478(f).”.
(b) ADJUSTMENTS IN INCOME PROTECTION ALLOWANCES.—For each academic year, the Secretary of Education shall continue to publish in the Federal Register a revised table of income protection allowances pursuant to section 478(b)(1)(A) of the Higher Education Act of 1965 (20 U.S.C. 1087rr(b)(1)(A)).

SEC. 4. STATE RESPONSIBILITY.

(a) MAINTENANCE OF EFFORT REQUIREMENTS.—Section 401 of the Higher Education Act of 1965 (20 U.S.C. 1070a) is amended by adding at the end the following:

"(k) INSTITUTIONAL INELIGIBILITY BASED ON FAILURE OF STATE TO MAINTAIN HIGHER EDUCATION APPROPRIATIONS LEVEL.—

"(1) IN GENERAL.—Each State that receives funds under this Act shall maintain expenditures and State financial aid for institutions of higher education in the State, with respect to a fiscal year, at an amount that is equal to or more than the average amount of State expenditures and State financial aid for institutions of higher education in the State for the 10 fiscal years preceding such fiscal year.

"(2) CONSEQUENCES OF FAILURE TO MAINTAIN EFFORT.—Notwithstanding any other provision of
law and beginning 5 years after the date of enact-
ment of the Degrees Not Debt Act of 2019, the Sec-
retary shall not make a payment under this subpart
to an institution of higher education for a fiscal year
for the purpose of making a Federal Pell Grant to
eligible students in attendance at such institution
and any such student shall not be eligible to receive
a Federal Pell Grant for attendance at such institu-
tion for the fiscal year, if the institution—

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

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

“(3) WAIVER.—The Secretary may waive the
requirement of paragraph (1) for a State, for one
fiscal year at a time, and the provisions of para-
graph (2) shall have no effect for such fiscal year if
the Secretary determines that granting a waiver
would be equitable due to exceptional or uncontrol-

lable circumstances such as a natural disaster or a
precipitous and unforeseen decline in the financial
resources of the State.”.

SEC. 5. COLLEGE AND UNIVERSITY RESPONSIBILITY.

(a) PROGRAM PARTICIPATION AGREEMENTS.—Sec-

1094) is amended—

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

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

(2) by adding at the end the following:

“(k) PERFORMANCE INDICATORS.—

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

“(A)(i) Graduation rates—

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

“(II) at 150 percent of the nor-

mal time for graduation;
“(III) at 200 percent of the normal time for graduation; and

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

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

“(iii) Withdrawal rates, including rates of students who withdraw from a certificate program to seek employment in a related field of study.

“(B) Employment outcomes, including the following:

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

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

“(I) are employed full time;

“(II) are employed part-time;
“(III) are employed in the graduate’s field of study or certificate; and

“(IV) make more than $25,000 a year.

“(iii) The cohort repayment rate.

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

“(i) How satisfied are you with your educational experience at [name of institution]?

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

“(D) The percentage of students who continue enrollment at the institution after the first year of enrollment.

“(E) The average net price for the institution’s most recent cohort of graduates, disaggregated by income quartile.

“(F) The average annual net price for full-time attendance, broken out by tuition, fees, living costs, and other (indirect) costs.
“(G) The median time to degree completion.

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

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

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

“(2) COHORT REPAYMENT RATE.—

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

“(i) in the case in which 30 or more borrowers at the institution enter repayment on Federal Direct Stafford Loans, Federal Direct Unsubsidized Stafford Loans, Federal Direct PLUS Loans, or Federal Direct Consolidation Loans, received for attendance at the institution, the percentage of those borrowers who are not in default and who make at least a one dollar reduction on their initial student loan principal balance before the end of the
second fiscal year following the fiscal year
in which the borrowers entered repayment,
extcept as provided in subparagraph (B);
and
“(ii) in the case in which less than 30
borrowers at the institution enter repay-
ment on Federal Direct Stafford Loans,
Federal Direct Unsubsidized Stafford
Loans, Federal Direct PLUS Loans, or
Federal Direct Consolidation Loans, re-
ceived for attendance at the institution, the
percentage of those borrowers plus all of
the borrowers at the institution who en-
tered repayment on such loans (or on the
portion of a loan made under section 428C
that is used to repay any such loans) in
the 3 fiscal years preceding the fiscal year
for which the determination is made, who
are not in default and who make at least
a one dollar reduction on their initial stu-
dent loan principal balance before the end
of the second fiscal year following the year
in which the borrowers entered repayment,
except as provided in subparagraph (B).
“(B) EXCEPTION.—The ‘cohort repayment rate’ calculation under subparagraph (A) shall not include in the calculation a borrower who is—

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

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

“(iii) in deferment on repayment of a loan described in subparagraph (A) during a period of service qualifying for loan discharge or cancellation under part E;

“(iv) in deferment on repayment of a loan described in subparagraph (A) due to active duty military service of the borrower during a war, military operation, or national emergency;

“(v) in deferment on repayment of a loan described in subparagraph (A) during the 13 months following the conclusion of
qualifying active duty military service by
the borrower, or until the borrower returns
to enrollment on at least a half-time basis,
whichever is earlier, if the borrower is a
member of the National Guard or other re-
serve component of the Armed Forces and
was called or ordered to active duty while
enrolled at least half-time at an eligible
school or within 6 months of having been
enrolled at least half-time;

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

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

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

“(4) GUIDANCE.—The Secretary shall issue
guidance, with input from stakeholders, to facilitate
the data collection and display of key performance
indicators.”.

(b) **Enhanced Data Collection for Institutions With Enrollment Rates of Less Than 5,000 Students.**—Section 489(a) of the Higher Education Act of 1965 (20 U.S.C. 1096(a)) is amended—

1. in the first sentence, by inserting “(or, in the case of an institution with an enrollment of less than 5,000 students, $6)” after “$5”; and
2. by adding at the end the following: “In addition, the Secretary shall provide funds to assist small institutions of higher education, with enrollment rates of less than 5,000 students, with data collection, organization, and distribution of performance indicators and cohort repayment rates.”.

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

(a) In General.—Section 55(d) of the Internal Revenue Code of 1986 is amended by striking paragraph (4).

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2018.
SEC. 7. REPEAL OF INCREASED ESTATE AND GIFT TAX EXEMPTION.

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

(b) Effective Date.—The amendment made by this section shall apply to estates of decedents dying and gifts made after the date of the enactment of this Act.