To increase the total maximum Federal Pell Grant, to increase State maintenance of efforts and college transparency, 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 increase the total maximum Federal Pell Grant, to increase State maintenance of efforts and college transparency, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Degrees Not Debt Act of 2022”.

January 5, 2022 (4:33 p.m.)
SEC. 2. INCREASE IN THE MAXIMUM AMOUNT OF A FEDERAL PELL GRANT.

(a) Award Year 2022–2023.—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 amending clause (iii) to read as follows:

“(iii) Award Years 2018–2019 through 2021–2022.—For award years 2018–2019 through 2021–2022, the amount determined under this subparagraph for purposes of subparagraph (B)(iii) shall be equal to the amount determined under clause (ii) for award year 2017–2018.”;

(4) by redesignating clause (iv) as clause (v); and

(5) by inserting after clause (iii) (as amended by this subsection) the following:

“(iv) Award Year 2022–2023.—For award year 2022–2023, the amount determined under this subparagraph for pur-
poses of subparagraph (B)(iii) shall be

equal to—

“(I) $13,000; reduced by

“(II) the maximum Federal Pell

Grant for which a student was eligible

for the preceding award year, as spec-

ified in the last enacted appropriation

Act applicable to that year; and

“(III) rounded to the nearest

$5.”.

(b) Award Year 2023–2024 and Subsequent

Award Years.—

(1) Amendment to Award Amount.—Section

401(b)(5)(A)(i) of the Higher Education Act of

1965 (20 U.S.C. 1070a(b)(5)(A)(i)), as amended by

section 703 of the FAFSA Simplification Act (title

VII of division FF of Public Law 116–260), is

amended to read as follows:

“(i) $13,000 reduced by the amount

specified as the maximum Federal Pell

Grant in the last enacted appropriation

Act applicable to that award year, except

that for each award year subsequent to

award year 2023–2024, this clause shall be

applied by substituting ‘the amount that is
equal to $13,000, increased by a percentage equal to the annual adjustment percentage for the award year for which the amount under this subparagraph is being determined, then ‘$13,000’; and”.

(2) DEFINITION.—Section 401(a)(2) of the Higher Education Act of 1965 (20 U.S.C. 1070a(a)(2)), as amended by section 703 of the FAFSA Simplification Act (title VII of division FF of Public Law 116–260), is amended—

(A) in subparagraph (E), by striking “and” after the semicolon;

(B) in subparagraph (F), by striking the period and inserting “; and”;

(C) by adding at the end the following:

“(G) the term ‘annual adjustment percentage’ as applied to an award year, is equal to the estimated percentage change in the Consumer Price Index (as determined by the Secretary, using the definition in section 478(f)) for the most recent calendar year ending prior to the beginning of that award year.”.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect as if included in section 703 of the FAFSA Simplification Act (title
VII of division FF of Public Law 116-260) and in accordance with section 701(b) of such Act.

SEC. 3. STATE RESPONSIBILITY.

(a) MAINTENANCE OF EFFORT REQUIREMENTS.—Section 401 of the Higher Education Act of 1965 (20 U.S.C. 1070a), as amended by section 703 of the FAFSA Simplification Act (title VII of division FF of Public Law 116–260), 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 State 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, beginning 5 years after the date of enactment of the Degrees Not Debt Act of 2022, a student shall not be eligible for a Federal Pell grant for an
award year (and the Secretary shall make no pay-
ment under this subpart to an eligible institution for
a fiscal year for the purpose of making a Federal
Pell Grant to such student) if the student—

“(A) attends an eligible institution in a
State that has not, with respect to the fiscal
year, maintained State expenditures and State
financial aid for institutions of higher education
in the State in accordance with paragraph (1);
and

“(B) the student has not previously re-
ceived a Federal Pell grant for attendance at
such institution.

“(3) WAIVER.—The Secretary may waive the
requirement of paragraph (1) for a State, for one
fiscal year at a time, and paragraph (2) shall not
apply to students attending eligible institutions in
such State for such fiscal year, if the Secretary de-
dtermines that granting a waiver would be equitable
due to exceptional or uncontrollable circumstances
such as a natural disaster or a precipitous and un-
foreseen decline in the financial resources of the
State.”.

(b) EFFECTIVE DATE.—The amendment made by
this section shall take effect as if included in section 703
of the FAFSA Simplification Act (title VII of division FF
of Public Law 116- 260) and in accordance with section
701(b) of such Act.

SEC. 4. COLLEGE AND UNIVERSITY RESPONSIBILITY.

(a) Program Participation Agreements.—Section 487 of the Higher Education Act of 1965 (20 U.S.C.
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) Key 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 normal
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) For fiscal year 2026 and each subsequent fiscal year, 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, with respect to an institution, for any fiscal year beginning with fiscal year 2026—

“(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, or Federal Direct PLUS Loans received for attendance at the institution, or on Federal Direct Consolidation Loans of such loans, 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 fol-
lowing the fiscal year in which the bor-
rowers entered repayment, except as pro-
vided 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, or Federal Direct PLUS Loans re-
ceived for attendance at the institution, or on Federal Direct Consolidation Loans of such loans, the percentage of the borrowers described in clause (i) plus all of the bor-
rowers at the institution who entered re-
payment 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 fis-
cal 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 student 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 a borrower who is—

“(i) in deferment on repayment of a loan described in subparagraph (A)—

“(I) due to study in an approved graduate fellowship program or in an approved rehabilitation training program for the disabled;

“(II) during a period of at least half-time enrollment in college or a career school;

“(III) during a period of service qualifying for loan discharge or cancellation under part E;

“(IV) due to active duty military service of the borrower during a war, military operation, or national emergency; or

“(V) 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 reserve 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;

“(ii) in mandatory forbearance on repayment of a loan described in subparagraph (A) for the full fiscal year; or

“(iii) 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 Statistics to identify new data points that need to be collected to assist institutions of higher education with the collection, organization, and distribution of key performance 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 institutions of higher education with an enrollment of less than 5,000 students with data collection, organization, and distribution of key performance indicators and cohort repayment rates.”.

**SEC. 5. 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, 2021.
SEC. 6. REPEAL OF INCREASED ESTATE AND GIFT TAX EXEMPTION.

(a) In General.—Section 2010(e)(3)(C) 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 2022”.

(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.