

116TH CONGRESS
1ST SESSION

H. R. 1571

To establish State-Federal partnerships to provide students the opportunity to attain higher education at in-State public institutions of higher education without debt, to provide Federal Pell Grant eligibility to DREAMer students, to repeal suspension of eligibility under the Higher Education Act of 1965 for drug-related offenses, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 6, 2019

Mr. POCAN (for himself, Ms. BARRAGÁN, Mr. BRENDAN F. BOYLE of Pennsylvania, Ms. JUDY CHU of California, Ms. DEAN, Mr. DESAULNIER, Mr. GARCÍA of Illinois, Mr. GOMEZ, Mr. GONZALEZ of Texas, Mr. GRIJALVA, Ms. HAALAND, Ms. HILL of California, Ms. NORTON, Mr. HUFFMAN, Ms. JAYAPAL, Mr. KHANNA, Ms. LEE of California, Mr. LEVIN of Michigan, Mrs. CAROLYN B. MALONEY of New York, Ms. MOORE, Mrs. NAPOLITANO, Ms. OMAR, Ms. PRESSLEY, Mr. RASKIN, Ms. ROYBAL-ALLARD, Ms. SCHAKOWSKY, Mr. SERRANO, Mr. TAKANO, Mr. THOMPSON of Mississippi, Ms. TLAIB, Ms. VELÁZQUEZ, Mrs. WATSON COLEMAN, and Mr. WELCH) introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

To establish State-Federal partnerships to provide students the opportunity to attain higher education at in-State public institutions of higher education without debt, to provide Federal Pell Grant eligibility to DREAMer students, to repeal suspension of eligibility under the Higher Education Act of 1965 for drug-related offenses, 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 “Debt-Free College Act
 5 of 2019”.

6 **SEC. 2. DEBT-FREE COLLEGE PARTNERSHIP.**

7 Title IV of the Higher Education Act of 1965 (20
 8 U.S.C. 1070 et seq.) is amended by adding at the end
 9 the following:

10 **“PART J—DEBT-FREE COLLEGE PARTNERSHIP**

11 **“SEC. 499A-1. PURPOSE.**

12 “The purpose of this part is to establish State-Fed-
 13 eral partnerships that will—

14 “(1) increase investment in public higher edu-
 15 cation; and

16 “(2) provide students the opportunity to attain
 17 higher education at in-State public institutions of
 18 higher education without debt (‘debt-free college’).

19 **“SEC. 499A-2. DEFINITIONS.**

20 “In this part:

21 “(1) COLLEGE COMPLETION PROGRAM.—The
 22 term ‘college completion program’ means a program
 23 or service at an institution of higher education that
 24 is dedicated to addressing barriers to degree attain-
 25 ment, particularly for low-income students, for the

1 purpose of increasing the percentage of students
2 completing programs of study in their entirety and
3 attaining related degrees.

4 “(2) COST OF ATTENDANCE.—The term ‘cost of
5 attendance’ means—

6 “(A) tuition and fees normally assessed a
7 student carrying the same academic workload
8 as determined by the institution, and including
9 costs for rental or purchase of any equipment,
10 materials, or supplies required of all students in
11 the same course of study;

12 “(B) an allowance for books, supplies,
13 transportation, and miscellaneous personal ex-
14 penses, including a reasonable allowance for the
15 documented rental or purchase of a personal
16 computer, for a student attending the institu-
17 tion on at least a half-time basis, as determined
18 by the institution; and

19 “(C) an allowance (determined by the in-
20 stitution) for room and board costs incurred by
21 the student which—

22 “(i) shall be an allowance determined
23 by the institution for a student without de-
24 pendants residing at home with parents;

1 “(ii) for students without dependents
2 residing in institutionally owned or oper-
3 ated housing, shall be a standard allowance
4 determined by the institution based on the
5 amount normally assessed most of its resi-
6 dents for room and board;

7 “(iii) for students who live in housing
8 located on a military base or for which a
9 basic allowance is provided under section
10 403(b) of title 37, United States Code,
11 shall be an allowance based on the ex-
12 penses reasonably incurred by such stu-
13 dents for board but not for room; and

14 “(iv) for all other students shall be an
15 allowance based on the expenses reason-
16 ably incurred by such students for room
17 and board.

18 “(3) DEBT-FREE COLLEGE COMMITMENT.—The
19 term ‘debt-free college commitment’ means a com-
20 mitment by a State participating in the State-Fed-
21 eral partnership under this part to cover the unmet
22 financial need for all eligible students.

23 “(4) ELIGIBLE STUDENT.—The term ‘eligible
24 student’ means an individual who—

1 “(A) is enrolled, or is eligible to enroll, in
2 a public institution of higher education in the
3 State in which the individual resides;

4 “(B) completes a Free Application for
5 Federal Student Aid; and

6 “(C) demonstrates satisfactory academic
7 progress, as defined under the Federal Pell
8 Grant program under subpart 1 of part A, once
9 enrolled in a public institution of higher edu-
10 cation in the State in which the individual re-
11 sides.

12 “(5) FULL-TIME EQUIVALENT STUDENTS.—The
13 term ‘full-time equivalent students’ means the sum
14 of the number of students enrolled full time at an
15 institution, plus the full-time equivalent of the num-
16 ber of students enrolled part time, which shall be de-
17 fined and calculated in the manner determined most
18 appropriate by the Secretary.

19 “(6) NET STATE OPERATING SUPPORT.—The
20 term ‘net State operating support’ means an amount
21 that is equal to the amount of State funds and local
22 government appropriations used to support public
23 higher education annual operating expenses in the
24 State, calculated in accordance with subparagraphs
25 (A) and (B).

1 “(A) CALCULATION.—A State’s net State
2 operating support shall, for a fiscal year, be an
3 amount that is equal to the difference resulting
4 from the gross amount of State funds appro-
5 priated and disbursed by the State and ex-
6 pended by the recipient institutions in the fiscal
7 year for public higher education operating ex-
8 penses in the State, minus—

9 “(i) such appropriations that are re-
10 turned to the State;

11 “(ii) State-appropriated funds derived
12 from Federal sources, including funds pro-
13 vided under this part;

14 “(iii) local government funds not ap-
15 propriated for operating support for public
16 higher education;

17 “(iv) amounts that are portions of
18 multi-year appropriations to be distributed
19 over multiple years that are not to be
20 spent for the year for which the calculation
21 is being made;

22 “(v) tuition charges remitted to the
23 State to offset State appropriations;

1 “(vi) State funding for students in
2 non-credit continuing or adult education
3 courses and non-credit extension courses;

4 “(vii) sums appropriated to private
5 nonprofit institutions of higher education,
6 or to proprietary institutions of higher
7 education, for capital outlay or operating
8 expenses; and

9 “(viii) any other funds excluded under
10 subparagraph (B).

11 “(B) EXCLUSIONS.—Net State operating
12 support does not include—

13 “(i) funds for—

14 “(I) student aid programs that
15 provide grants to students attending
16 in-State private nonprofit institutions
17 of higher education, in-State propri-
18 etary institutions of higher education,
19 independent institutions, and out-of-
20 State institutions;

21 “(II) capital outlay;

22 “(III) deferred maintenance; or

23 “(IV) research and development;

24 or

1 “(ii) any other funds that the Sec-
2 retary may exclude.

3 “(7) NET STATE OPERATING SUPPORT PER FTE
4 STUDENT.—The term ‘net State operating support
5 per FTE student’ means, for a fiscal year—

6 “(A) the net State operating support for
7 the previous fiscal year; divided by

8 “(B) the full-time equivalent students for
9 the previous fiscal year.

10 “(8) PARTNERSHIP OFFICE.—The term ‘Part-
11 nership Office’ means the Office created under sec-
12 tion 499A–4(a).

13 “(9) PUBLIC INSTITUTION OF HIGHER EDU-
14 CATION.—The term ‘public institution of higher edu-
15 cation’ means an educational institution in any State
16 that—

17 “(A) admits as regular students only per-
18 sons having a certificate of graduation from a
19 school providing secondary education, or the
20 recognized equivalent of such a certificate, or
21 persons who are eligible students;

22 “(B) is legally authorized within such
23 State to provide a program of education beyond
24 secondary education;

1 “(C) provides an educational program for
2 which the institution awards a bachelor’s degree
3 or provides not less than a 2-year program that
4 is acceptable for full credit toward such a de-
5 gree, or awards a degree that is acceptable for
6 admission to a graduate or professional degree
7 program, subject to review and approval by the
8 Secretary;

9 “(D) has the full faith and credit of the
10 State; and

11 “(E) is accredited by a nationally recog-
12 nized accrediting agency or association, or if
13 not so accredited, is an institution that has
14 been granted preaccreditation status by such an
15 agency or association that has been recognized
16 by the Secretary for the granting of preaccredi-
17 tation status, and the Secretary has determined
18 that there is satisfactory assurance that the in-
19 stitution will meet the accreditation standards
20 of such an agency or association within a rea-
21 sonable time.

22 “(10) RELEVANT COMMITTEES OF CON-
23 GRESS.—The term ‘relevant committees of Congress’
24 means the Committee on Health, Education, Labor,
25 and Pensions and the Committee on Appropriations

1 of the Senate and the Committee on Education and
2 Labor and the Committee on Appropriations of the
3 House of Representatives.

4 “(11) UNMET NEED.—The term ‘unmet need’
5 means the difference between a student’s cost of at-
6 tendance to attend an in-State public institution of
7 higher education and the student’s expected family
8 contribution plus any Federal, State, or local sources
9 of grant aid.

10 **“SEC. 499A-3. ESTABLISHMENT OF A STATE-FEDERAL PART-**
11 **NERSHIP GRANT PROGRAM.**

12 “(a) GRANTS AUTHORIZED.—The Secretary shall
13 award grants to States to establish State-Federal partner-
14 ships with a goal of providing debt-free college for all eligi-
15 ble students at in-State public institutions of higher edu-
16 cation.

17 “(b) APPLICATION.—A State that desires to partici-
18 pate in the State-Federal partnership under this part shall
19 submit an application to the Secretary at such time, in
20 such manner, and accompanied by such information as the
21 Secretary may require.

22 “(c) AMOUNT OF GRANTS.—

23 “(1) IN GENERAL.—The Secretary shall award
24 a grant to a State that submits an application under

1 subsection (b) for a fiscal year in an amount that is
2 equal to State's net State operating support.

3 “(2) Ratable Reduction.—If the amount ap-
4 propriated to carry out this part for a fiscal year is
5 insufficient to award each State the State's full
6 grant amount pursuant to paragraph (1), the Sec-
7 retary shall establish procedures for ratably reducing
8 each State's award amount for such fiscal year.

9 “(d) Amounts Not Expended.—Any amount of a
10 grant awarded under this part that is not expended on
11 allowable expenditures by the end of the fiscal year for
12 which the grant was awarded shall be applied to the fol-
13 lowing year's grant award amount, if the State remains
14 eligible to receive a grant under this part for such fol-
15 lowing year. If such State is not eligible to receive a grant
16 under this part for such following year, the State shall
17 return the unexpended balance amount to the Federal
18 Government.

19 **“SEC. 499A-4. STATE-FEDERAL PARTNERSHIP RESPON-**
20 **SIBILITIES.**

21 “(a) Federal.—

22 “(1) In General.—The Secretary shall create
23 an office in the Department of Education to admin-
24 ister the State-Federal partnerships established

1 under this part. Such Partnership Office shall be re-
2 sponsible for—

3 “(A) administering grant awards;

4 “(B) monitoring compliance with partner-
5 ship requirements;

6 “(C) providing technical assistance to
7 States in applying for participation in, and im-
8 plementing, a partnership; and

9 “(D) providing information to students in
10 participating States.

11 “(2) EVALUATIONS.—The Partnership Office
12 shall develop metrics of evaluation and perform an
13 annual evaluation of each State participating in a
14 State-Federal partnership under this part. The eval-
15 uation shall assess the State’s success in meeting the
16 partnership’s goals, including—

17 “(A) providing debt-free college for all eli-
18 gible students;

19 “(B) increasing State investment in higher
20 education;

21 “(C) maintaining access to in-State public
22 institutions of higher education for low-income
23 and underserved students;

24 “(D) maintaining and improving rates of
25 college completion and academic quality;

1 “(E) maintaining or reducing the cost of
2 public higher education and the price charged
3 to students; and

4 “(F) investing in improving capacity, ac-
5 cess, quality, and student achievement of in-
6 State public institutions of higher education.

7 “(3) ANNUAL REPORT.—The Partnership Of-
8 fice shall submit an annual report to the relevant
9 committees of Congress and include information
10 gained from the annual evaluation under paragraph
11 (2).

12 “(4) WEBSITE.—The Partnership Office shall
13 create a public, consumer-oriented website with in-
14 formation about State-Federal partnerships estab-
15 lished under this part, including information from
16 the annual evaluation under paragraph (2).

17 “(b) STATE.—

18 “(1) IN GENERAL.—A State that receives a
19 grant under this part to establish a State-Federal
20 partnership shall—

21 “(A) distribute the grant funds according
22 to the allowable uses of funds described in sec-
23 tion 499A–5 in a manner designed to best
24 achieve the partnership’s goal of providing debt-

1 free college for all eligible students at in-State
2 public institutions of higher education;

3 “(B) maintain access at each in-State pub-
4 lic institution of higher education for low-in-
5 come and underserved students;

6 “(C) cap tuition and fees at public institu-
7 tions of higher education in the State at levels
8 as of the date of enactment of the Debt-Free
9 College Act of 2019, with a yearly increase al-
10 lowed based on the Consumer Price Index (as
11 determined by the Secretary);

12 “(D) commit to working with in-State pub-
13 lic institutions of higher education to reduce
14 tuition and fees as the net State operating sup-
15 port increases;

16 “(E) maintain State need-based financial
17 aid programs in effect on the date of enactment
18 of the Debt-Free College Act of 2019 or use
19 State funds for such programs to further the
20 debt-free commitment made under the State-
21 Federal partnership;

22 “(F) maintain or increase levels of net
23 State operating support in effect on the date of
24 enactment of the Debt-Free College Act of

1 2019, subject to the maintenance of effort pro-
2 visions contained in this part;

3 “(G) develop, adopt, and implement a
4 State formula for calculating the cost of attend-
5 ance at in-State public institutions of higher
6 education;

7 “(H) develop statewide credit transfer poli-
8 cies to—

9 “(i) facilitate credit transfers among
10 in-State public institutions of higher edu-
11 cation; and

12 “(ii) provide students with clear and
13 timely information about credit transfer
14 policies at in-State public institutions of
15 higher education; and

16 “(I) clearly communicate to prospective
17 students, their families, and the general public
18 how the State plans to implement the State-
19 Federal partnership and how eligible students
20 can attend a public institution of higher edu-
21 cation in the State without debt, including early
22 notification for students of their eligibility for
23 financial aid under the partnership.

24 “(2) 5-YEAR PLAN.—

1 “(A) IN GENERAL.—In order to receive a
2 grant under this part, a State shall provide to
3 the Secretary a 5-year plan for achieving the
4 goals of the State-Federal partnership. A State
5 shall update and resubmit a plan every 5 years
6 thereafter.

7 “(B) PLAN TO MEET GOALS.—The 5-year
8 plan shall detail how the State plans to meet
9 the goal of providing debt-free college for all eli-
10 gible students at in-State public institutions of
11 higher education within 5 years and increase
12 the State’s investment in higher education, with
13 specific benchmarks detailed for each year.

14 “(C) APPROVED BY THE SECRETARY.—
15 The 5-year plan, and the State’s annual
16 progress, shall be approved by the Secretary in
17 order for the State to be eligible to receive, or
18 continue receiving, grant funds under the State-
19 Federal Partnership award.

20 “(D) WAIVER OF 5-YEAR DEADLINE.—A
21 State may apply for a waiver from the deadline
22 of meeting all of the State-Federal partner-
23 ship’s goals within 5 years if the State—

24 “(i) provides a credible plan for mak-
25 ing progress towards the goals; and

1 “(ii) is able to demonstrate that the
2 State will, at a minimum, provide debt-free
3 college within 5 years to eligible students
4 who are Federal Pell Grant recipients
5 under subpart 1 of part A.

6 “(3) NO ADDITIONAL ELIGIBILITY REQUIRE-
7 MENTS.—A State that receives a grant under this
8 part to establish a State-Federal partnership may
9 not impose additional eligibility requirements on stu-
10 dents other than those contained in this part.

11 **“SEC. 499A-5. USES OF FUNDS.**

12 “(a) IN GENERAL.—

13 “(1) NEED-BASED AID FOR PELL RECIPI-
14 ENTS.—A State that receives a grant under this
15 part to establish a State-Federal partnership shall
16 disburse funds from the net State operating support
17 and the partnership grant funds on the basis of
18 need, as determined by the Free Application for
19 Federal Student Aid, to cover the unmet need for
20 each eligible student who receives a Federal Pell
21 Grant under subpart 1 of part A.

22 “(2) DISBURSEMENT OF REMAINING FUNDS.—
23 Any funds that remain after a State disburses funds
24 in accordance with paragraph (1) shall be used by
25 the State to cover part or all of the unmet need for

1 eligible students who do not receive a Federal Pell
2 Grant under subpart 1 of part A, with priority based
3 on student financial need, in a manner determined
4 by the State.

5 “(3) NO FUNDS IN EXCESS OF COST OF AT-
6 TENDANCE.—An eligible student shall not receive
7 funds under this part in excess of the student’s ac-
8 tual cost of attendance.

9 “(4) PRIVATE AID NOT TAKEN INTO AC-
10 COUNT.—In disbursing funds under this paragraph,
11 the State shall not take into account any private
12 sources of aid or loans available to an eligible stu-
13 dent.

14 “(b) COLLEGE COMPLETION PROGRAMS.—

15 “(1) IN GENERAL.—A State that receives a
16 grant under this part for a fiscal year to establish
17 a State-Federal partnership shall use 4 percent of
18 the grant funds for such fiscal year to establish or
19 increase funding for college completion programs.

20 “(2) DISTRIBUTION.—From the total amount
21 of grant funds available under paragraph (1) for a
22 fiscal year, the State shall provide to each public in-
23 stitution of higher education in the State that is eli-
24 gible to participate in programs under this title for
25 such fiscal year an amount that bears the same rela-

1 tion to such total amount as the number of students
2 enrolled in such institution of higher education who
3 are eligible to receive a Federal Pell Grant bears to
4 the number of students enrolled in all public institu-
5 tions of higher education in the State who are eligi-
6 ble to receive a Federal Pell Grant.

7 “(3) ALLOWABLE USES.—An institution of
8 higher education that receives funds under para-
9 graph (2) shall use such funds to establish, imple-
10 ment, or expand a college completion program, in-
11 cluding for the following purposes:

12 “(A) Providing information to prospective
13 and current students to assist and improve
14 completion, including creating materials clari-
15 fying different program completion require-
16 ments and costs, holding seminars for prospec-
17 tive or current students on course schedules
18 and program costs, and updating school
19 websites to make information publically avail-
20 able.

21 “(B) Hiring additional counselors and ad-
22 visors to focus on student completion support
23 and training existing personnel to implement
24 the college completion program.

1 “(C) Increasing academic support pro-
2 grams, such as writing coaches, tutors, pre-
3 requisite skill courses, and study materials, and
4 enhancing academic facilities for students.

5 “(D) Providing microgrants for students
6 participating in the college completion program
7 who maintain good academic standing and
8 progress toward on-time graduation.

9 “(4) REPORTING.—

10 “(A) REPORTS FROM INSTITUTIONS.—An
11 institution of higher education that receives
12 funds under paragraph (2) shall submit to the
13 State in which the institution is located at the
14 end of each fiscal year a report that details the
15 uses of funds, changes in the ratios of students
16 to counselors, and 2-year and 4-year degree at-
17 tainment rates, disaggregated by race and Fed-
18 eral Pell Grant recipient status.

19 “(B) SUSPENSION.—If a State determines
20 that an institution of higher education that re-
21 ceives funds under paragraph (2) for a fiscal
22 year used such funds for activities that were
23 not allowable uses under paragraph (3), the
24 State may suspend distribution of funds to the
25 institution for the following fiscal year and re-

1 quire the institution to submit proposed expend-
2 itures for approval before receiving funds again
3 under paragraph (2).

4 “(C) REPORT FROM STATE.—A State that
5 receives a grant under this part for a fiscal year
6 to establish a State-Federal partnership shall
7 submit to the Secretary at the end of each fis-
8 cal year a report that details the uses of grant
9 funds under this subsection in public institu-
10 tions of higher education in the State that are
11 eligible to participate in programs under this
12 title, changes in the ratio of students to coun-
13 selors in such institutions in the State, and 2-
14 year and 4-year degree attainment rates in such
15 institutions in the State, disaggregated by race
16 and Federal Pell Grant recipient status.

17 “(c) HIGHER EDUCATION RELATED ACTIVITIES.—A
18 State that receives a grant under this part to establish
19 a State-Federal partnership may use not more than 5 per-
20 cent of the grant funds for the following higher education
21 related activities:

22 “(1) Increasing the capacity within the public
23 higher education system of the State, including
24 through the following:

25 “(A) Construction of new facilities.

1 “(B) Renovation of existing facilities.

2 “(C) Hiring of faculty.

3 “(D) Student support services.

4 “(2) Increasing the enrollment of low-income
5 and underserved students.

6 “(3) Improving student outcomes, including
7 meeting student learning goals, increasing comple-
8 tion rates, and improving post-graduate job place-
9 ment, in consultation with faculty and staff at in-
10 State public institutions of higher education.

11 “(4) Providing information to prospective stu-
12 dents and families.

13 “(5) Developing new higher education programs
14 to meet the State’s workforce needs, in consultation
15 with faculty and staff at in-State public institutions
16 of higher education, employers, and other relevant
17 stakeholders.

18 “(6) Programs and student support services at
19 public secondary schools if those programs and serv-
20 ices directly support an activity described in any of
21 paragraphs (1) through (5).

22 “(7) Other activities as approved by the Sec-
23 retary to improve the State’s public higher education
24 system, particularly for low-income and underserved
25 students.

1 “(d) ADMINISTRATION AND OTHER USES.—A State
 2 that receives a grant under this part to establish a State-
 3 Federal partnership may use not more than 1 percent of
 4 the grant funds—

5 “(1) to administer the partnership; and

6 “(2) for—

7 “(A) higher education research and data
 8 tools, such as those that link education and em-
 9 ployment data systems;

10 “(B) forming agreements with other States
 11 participating in the partnership for reciprocal
 12 student eligibility; and

13 “(C) developing and implementing systems
 14 to provide early notification to students and
 15 families of their eligibility for financial aid.

16 “(e) PROHIBITION ON USE OF FUNDS.—A State that
 17 receives a grant under this part to establish a State-Fed-
 18 eral partnership may not use grant funds for—

19 “(1) endowments; or

20 “(2) the construction of athletic or commercial
 21 venues.

22 **“SEC. 499A-6. MAINTAINING NET STATE OPERATING SUP-**
 23 **PORT FOR HIGHER EDUCATION.**

24 “(a) IN GENERAL.—A State that receives a grant
 25 under this part to establish a State-Federal partnership

1 shall maintain net State operating support for a fiscal year
2 at a level that is not less than the level that is equal to
3 the average of such net State operating support for the
4 3 fiscal years preceding such fiscal year.

5 “(b) WAIVERS.—

6 “(1) IN GENERAL.—The Secretary may grant a
7 waiver to a State from the requirement under sub-
8 section (a) for a fiscal year, if the State dem-
9 onstrates that—

10 “(A) the net State operating support for
11 such fiscal year as a percentage of total revenue
12 available to the State that will fund higher edu-
13 cation for such fiscal year is not less than such
14 percentage for the previous fiscal year; and

15 “(B) unexpected or uncontrollable cir-
16 cumstances prevent the State from maintaining
17 such State support.

18 “(2) NO REDUCTION FOR SUBSEQUENT FISCAL
19 YEAR.—If the Secretary grants a State a waiver
20 under paragraph (1) for a fiscal year, a determina-
21 tion of the required level of net State operating sup-
22 port for subsequent fiscal years shall exclude the fis-
23 cal year for which the waiver was granted.

1 **“SEC. 499A-7. OVERSIGHT.**

2 “(a) IN GENERAL.—If a State that receives a grant
3 under this part to establish a State-Federal partnership
4 breaches a term of the partnership, the Partnership Office
5 shall notify the State and provide the State an opportunity
6 to correct the record or cure the breach within 30 days
7 of the notification.

8 “(b) RECOMMENDATION.—Based on the State’s re-
9 sponse to a notification under subsection (a), the Partner-
10 ship Office shall recommend that the Secretary—

11 “(1) take no action;

12 “(2) place the State on probation; or

13 “(3) deem the State ineligible to continue to
14 participate in the partnership.

15 “(c) IMPLEMENTATION.—

16 “(1) IN GENERAL.—Except as provided in para-
17 graph (2), the Secretary shall implement the rec-
18 ommendation of the Partnership Office under sub-
19 section (b).

20 “(2) EXCEPTION.—

21 “(A) IN GENERAL.—Subject to subpara-
22 graph (B), the Secretary may choose not to im-
23 plement the recommendation of the Partnership
24 Office under subsection (b).

25 “(B) REASONS AND REPORT.—If the Sec-
26 retary chooses not to implement the rec-

1 commendation of the Partnership Office under
2 subsection (b), the Secretary shall—

3 “(i) provide an explanation for such
4 decision; and

5 “(ii) notify the relevant committees of
6 Congress in a report.

7 “(d) PROBATION.—

8 “(1) IN GENERAL.—If a State is placed on pro-
9 bation by the Secretary due to a breach of a term
10 of the partnership, the State shall develop a plan to
11 remedy the breach.

12 “(2) WITHHOLDING.—With respect to a State
13 that is placed on probation by the Secretary due to
14 a breach of a term of the partnership, the Secretary
15 shall withhold half of the State’s partnership grant
16 award until the breach has been remedied or the
17 State has demonstrated credible progress towards
18 remedying the breach.

19 “(e) INELIGIBILITY.—

20 “(1) IN GENERAL.—If a State is deemed ineli-
21 gible to continue to participate in a partnership due
22 to a breach of a term of the partnership, the State
23 shall not receive its partnership grant award for the
24 subsequent year.

1 “(2) REMAINING INELIGIBLE.—A State that is
2 deemed ineligible to continue to participate in a
3 partnership due to a breach of a term of the part-
4 nership, shall remain ineligible for participation until
5 the State has demonstrated that the State meets the
6 partnership’s requirements.

7 **“SEC. 499A-8. STATE WITHDRAWAL OR INELIGIBILITY.**

8 “(a) IN GENERAL.—If a State that receives a grant
9 under this part to establish a State-Federal partnership
10 intends to withdraw from the partnership or becomes ineli-
11 gible to continue participation under this part, the State
12 shall comply with the requirements of this section, includ-
13 ing, if the State intends to withdraw, notifying the Sec-
14 retary and the Partnership Office 60 days prior to the
15 withdrawal.

16 “(b) CONTINUED COVERAGE.—

17 “(1) IN GENERAL.—Any unexpended balance
18 from a State-Federal partnership grant award that
19 remains after a State notifies the Partnership Office
20 of the State intention to withdraw from the partner-
21 ship or becomes ineligible to continue participation
22 under this part shall be placed into an escrow ac-
23 count at the Department and used solely to provide
24 need-based grant aid to an eligible student who has
25 received a Federal Pell Grant under subpart 1 of

1 part A and who was enrolled before the State noti-
2 fied the Partnership Office of the State’s intention
3 to withdraw from the partnership or the State be-
4 came ineligible.

5 “(2) COVERAGE UNTIL STUDENTS FINISH PRO-
6 GRAM.—

7 “(A) IN GENERAL.—A State that with-
8 draws from a State-Federal partnership or be-
9 comes ineligible to continue participation under
10 this part shall continue to cover the unmet need
11 for each eligible student who received a Federal
12 Pell Grant under subpart 1 of part A and who
13 was enrolled before the State notified the Part-
14 nership Office of the State’s intention to with-
15 draw from the partnership or became ineligible
16 until each such student completes the student’s
17 program of study at the institution or until the
18 allotted time for completion of such program of
19 study expires.

20 “(B) PRIORITY.—In carrying out subpara-
21 graph (A), a State shall prioritize funding
22 based on students’ financial need.

23 “(3) COMMUNICATION OF INFORMATION.—A
24 State that withdraws from a State-Federal partner-
25 ship or becomes ineligible to continue participation

1 under this part shall communicate its withdrawal or
 2 ineligibility, as appropriate, to students and families
 3 in the State and provide clear information to eligible
 4 students described in paragraph (2)(A) that the stu-
 5 dents may continue to have their cost of attendance
 6 at an in-State public institution of higher education
 7 covered.

8 **“SEC. 499A-9. AUTHORIZATION OF APPROPRIATIONS.**

9 “(a) IN GENERAL.—There are authorized to be ap-
 10 propriated to carry out this part—

11 “(1) \$84,000,000,000 for fiscal year 2020; and

12 “(2) such sums as may be necessary for each
 13 fiscal years 2021 through 2030.

14 “(b) AVAILABILITY.—Funds made available under
 15 subsection (a) shall be available for obligation through
 16 September 30 of the fiscal year succeeding the fiscal year
 17 for which such sums were appropriated.”.

18 **SEC. 3. DEBT-FREE COLLEGE GRANT PROGRAM FOR HBCUS**

19 **AND MSIS.**

20 Part F of title III of the Higher Education Act of
 21 1965 (20 U.S.C. 1067q et seq.) is amended by adding at
 22 the end the following:

23 **“SEC. 372. DEBT-FREE COLLEGE GRANT PROGRAM FOR**

24 **HBCUS AND MSIS.**

25 “(a) DEFINITION OF ELIGIBLE INSTITUTION.—

1 “(1) IN GENERAL.—In this section, except as
2 provided in paragraph (2), the term ‘eligible institu-
3 tion’ means an institution of higher education that
4 is—

5 “(A) a private, nonprofit 2-year or 4-year
6 part B institution (as defined in section 322);

7 “(B) a Tribal College or University (as de-
8 fined in section 316); or

9 “(C) a private, nonprofit 2-year or 4-year
10 institution—

11 “(i) that is—

12 “(I) a Hispanic-serving institu-
13 tion (as defined in section 502);

14 “(II) an Alaska Native-serving
15 institution (as defined in section
16 317(b));

17 “(III) a Native Hawaiian-serving
18 institution (as defined in section
19 317(b));

20 “(IV) a Predominantly Black In-
21 stitution (as defined in section 318);

22 “(V) an Asian American and Na-
23 tive American Pacific Islander-serving
24 institution (as defined in section
25 320(b)); or

1 “(VI) a Native American-serving,
2 nontribal institution (as defined in
3 section 319); and

4 “(ii) in which not less than 35 percent
5 of the students enrolled at the institution
6 are eligible to receive a Federal Pell Grant.

7 “(2) FOR-PROFIT INSTITUTION THAT CON-
8 VERTED TO A NONPROFIT INSTITUTION.—Notwith-
9 standing paragraph (1), an institution of higher edu-
10 cation is not an eligible institution if the institution
11 was a for-profit institution of higher education that
12 converted to a nonprofit institution of higher edu-
13 cation and less than 25 years have passed since the
14 date of such conversion.

15 “(b) GRANT PROGRAM AUTHORIZED.—

16 “(1) IN GENERAL.—The Secretary shall award
17 grants to eligible institutions to enable the institu-
18 tions to provide need-based financial aid to cover
19 unmet need for students enrolled at the institutions.

20 “(2) DURATION.—Grants awarded under this
21 section shall be for a period of 5 years.

22 “(c) APPLICATION.—An eligible institution that de-
23 sires a grant under this section shall submit an application
24 to the Secretary at such time, in such manner, and accom-

1 panied by such information as the Secretary may require,
 2 including a plan detailing how—

3 “(1) the eligible institution will use grant funds
 4 to provide debt-free college to the students enrolled
 5 at the institution; and

6 “(2) the institution plans to meet the require-
 7 ments of the grant program.

8 “(d) AWARDING OF GRANTS.—

9 “(1) IN GENERAL.—

10 “(A) IN GENERAL.—A grant amount
 11 awarded to an eligible institution under this
 12 section for a year—

13 “(i) shall be in an amount equal to
 14 the amount of the institution’s expendi-
 15 tures on student undergraduate instruction
 16 and academic support for the year; and

17 “(ii) shall not be disbursed for the
 18 year until the Partnership Office created
 19 under section 499A–4(a) reviews and ap-
 20 proves the annual update submitted by the
 21 institution pursuant to subsection (f).

22 “(B) RATABLE REDUCTION.—If the
 23 amount appropriated to carry out this section
 24 for a fiscal year is insufficient to award each el-
 25 igible institution the institution’s full grant

1 amount pursuant to subparagraph (A), the Sec-
2 retary shall establish procedures for ratably re-
3 ducing each institution's award amount for
4 such fiscal year.

5 “(2) WAIVERS.—

6 “(A) IN GENERAL.—Subject to subpara-
7 graph (B), if the percentage of students eligible
8 to receive a Federal Pell Grant who are enrolled
9 at an eligible institution that receives a grant
10 under this section decreases to less than 35 per-
11 cent after the first year of the grant award,
12 such institution may apply to the Secretary for
13 a waiver of the requirement that an institution
14 to be eligible to receive a grant under this sec-
15 tion have not less than 35 percent of the stu-
16 dents enrolled at the institution eligible to re-
17 ceive a Federal Pell Grant.

18 “(B) RESTRICTIONS ON WAIVER.—The
19 Secretary shall grant a waiver under subpara-
20 graph (A)—

21 “(i) only if the decrease in percentage
22 is—

23 “(I) small relative to the size of
24 the student body; or

1 “(II) the result of unexpected or
2 uncontrollable circumstances; and
3 “(ii) not more than 2 times during the
4 5-year grant period.

5 “(e) USE OF GRANT FUNDS.—

6 “(1) IN GENERAL.—An eligible institution that
7 receives a grant under this section shall use the
8 grant funds as follows:

9 “(A) Ninety-five percent of the grant funds
10 shall be—

11 “(i) used to cover the unmet need for
12 financial assistance to attend the institu-
13 tion of students who have not yet earned
14 a bachelor’s degree; and

15 “(ii) disbursed according to financial
16 need.

17 “(B) Five percent of the grant funds shall
18 be used for the following activities:

19 “(i) Increasing capacity through con-
20 struction or renovation of facilities.

21 “(ii) Hiring faculty.

22 “(iii) Student support services.

23 “(iv) Other activities to increase en-
24 rollment of low-income and underserved
25 students, improve student outcomes, and

1 provide information to prospective students
2 and families, and other activities as ap-
3 proved by the Secretary to improve access,
4 affordability, or quality of the education
5 provided by the institution.

6 “(2) PROHIBITION ON USE OF FUNDS.—An eli-
7 gible institution that receives a grant under this sec-
8 tion may not use grant funds for endowments or the
9 construction of athletic or commercial venues.

10 “(f) ANNUAL UPDATE.—An eligible institution that
11 receives a grant under this section shall submit to the Sec-
12 retary an annual update—

13 “(1) with any changes to the institution’s ex-
14 penditures on student instruction and academic sup-
15 port; and

16 “(2) on how the institution is fulfilling the
17 terms of the grant.

18 “(g) TERMS OF THE GRANT.—

19 “(1) GRANTEE COMMITMENT.—An eligible in-
20 stitution that receives a grant under this section
21 shall carry out the following:

22 “(A) Cap tuition and fees at the institution
23 at the level as of the date of enactment of the
24 Debt-Free College Act of 2019, with a yearly

1 increase allowed based on the Consumer Price
2 Index (as determined by the Secretary).

3 “(B) Maintain expenditures on instruction
4 and academic support at the institution at a
5 level that is not less than the average of such
6 expenditures at the institution over the period
7 of 3 years preceding the date of enactment of
8 the Debt-Free College Act of 2019.

9 “(C) Maintain the enrollment of low-in-
10 come students, as defined by the Secretary, at
11 the institution at a level that is not less than
12 the level of such enrollment as of the date of
13 enactment of the Debt-Free College Act of
14 2019.

15 “(D) Maintain institutional aid at a level
16 that is not less than the average of such aid
17 over the period of 3 years preceding the date of
18 enactment of the Debt-Free College Act of
19 2019.

20 “(E) Submit to the Secretary for approval
21 the institution’s calculation of the cost of at-
22 tendance at such institution.

23 “(F) Clearly communicate to prospective
24 students and their families the following:

1 “(i) How students can attend the in-
2 stitution without debt.

3 “(ii) That a debt-free college edu-
4 cation provided pursuant to this section is
5 conditioned upon institutional eligibility
6 and participation under this section and
7 may not apply for each year that the stu-
8 dent is enrolled at the institution.

9 “(2) BREACH OF TERMS OF GRANT.—

10 “(A) IN GENERAL.—If an eligible institu-
11 tion that receives a grant under this section
12 breaches a term of the grant, the Partnership
13 Office created under section 499A–4(a) shall
14 notify the institution and provide the institution
15 with an opportunity to correct the record or
16 cure the breach not later than 30 days after the
17 date of the notification.

18 “(B) RECOMMENDATION.—The Partner-
19 ship Office created under section 499A–4(a)
20 shall, after considering the eligible institution’s
21 response to a notification under subparagraph
22 (A) or lack of response, make a recommenda-
23 tion to the Secretary that the Secretary—

24 “(i) take no action with respect to the
25 eligible institution;

1 “(ii) place the eligible institution on
2 probation; or

3 “(iii) revoke the eligible institution’s
4 eligibility for the grant program under this
5 section.

6 “(C) PROBATION.—An eligible institution
7 that is placed on probation by the Secretary
8 shall develop a plan to remedy the breach of the
9 term of the grant. If the eligible institution does
10 not remedy the breach, the Secretary may levy
11 a fine against the institution of an amount not
12 to exceed 1 percent of the annual grant
13 amount.

14 “(D) INELIGIBILITY.—If an eligible insti-
15 tution’s eligibility for the grant program under
16 this section has been revoked by the Secretary,
17 such institution shall—

18 “(i) place into escrow any unexpended
19 grant funds described in subsection
20 (e)(1)(A) to be disbursed directly to stu-
21 dents enrolled at the institution;

22 “(ii) return to the Secretary any un-
23 expended funds described in subsection
24 (e)(1)(B);

1 “(iii) remain ineligible to receive a
2 grant under this section during the 3-year
3 period after the date eligibility was re-
4 voked; and

5 “(iv) notify prospective and enrolled
6 students at the institution and their fami-
7 lies of such ineligibility for participation in
8 the grant program under this section.

9 “(h) WITHDRAWAL.—An eligible institution that re-
10 ceives a grant under this section that intends to withdraw
11 from the grant program under this section shall—

12 “(1) notify the Partnership Office created
13 under section 499A–4(a) not less than 60 days prior
14 to the withdrawal;

15 “(2) place into escrow any unexpended grant
16 funds to be disbursed directly to students enrolled at
17 the institution; and

18 “(3) notify prospective and enrolled students at
19 the institution and their families of such withdrawal.

20 “(i) AUTHORIZATION OF APPROPRIATIONS.—

21 “(1) IN GENERAL.—There are authorized to be
22 appropriated to carry out this section—

23 “(A) \$3,000,000,000 for fiscal year 2020;
24 and

1 “(B) such sums as may be necessary for
2 each fiscal years 2021 through 2030.

3 “(2) AVAILABILITY.—Funds made available
4 under paragraph (1) shall be available for obligation
5 through September 30 of the fiscal year succeeding
6 the fiscal year for which such sums were appro-
7 priated.”.

8 **SEC. 4. TITLE IV ELIGIBILITY FOR DREAMER STUDENTS.**

9 Section 484 of the Higher Education Act of 1965 (20
10 U.S.C. 1091) is amended—

11 (1) in subsection (a)(5), by inserting “, or be a
12 Dreamer student, as defined in subsection (u)” after
13 “becoming a citizen or permanent resident”; and

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

15 “(u) DREAMER STUDENTS.—

16 “(1) IN GENERAL.—In this section, the term
17 ‘Dreamer student’ means an individual who—

18 “(A) was younger than 16 years of age on
19 the date on which the individual initially en-
20 tered the United States;

21 “(B) has provided a list of each secondary
22 school that the student attended in the United
23 States; and

24 “(C)(i) has earned a high school diploma,
25 the recognized equivalent of such diploma from

1 a secondary school, or a high school equivalency
2 diploma in the United States or is scheduled to
3 complete the requirements for such a diploma
4 or equivalent before the next academic year be-
5 gins;

6 “(ii) has acquired a degree from an institu-
7 tion of higher education or has completed not
8 less than 2 years in a program for a bacca-
9 laurate degree or higher degree at an institu-
10 tion of higher education in the United States
11 and has made satisfactory academic progress,
12 as defined in subsection (c), during such time
13 period;

14 “(iii) at any time was eligible for a grant
15 of deferred action under—

16 “(I) the June 15, 2012, memorandum
17 from the Secretary of Homeland Security
18 entitled ‘Exercising Prosecutorial Discre-
19 tion with Respect to Individuals Who
20 Came to the United States as Children’; or

21 “(II) the November 20, 2014, memo-
22 randum from the Secretary of Homeland
23 Security entitled ‘Exercising Prosecutorial
24 Discretion with Respect to Individuals
25 Who Came to the United States as Chil-

1 dren and with Respect to Certain Individ-
2 uals Who Are the Parents of U.S. Citizens
3 or Permanent Residents’; or

4 “(iv) has served in the uniformed services,
5 as defined in section 101 of title 10, United
6 States Code, for not less than 4 years and, if
7 discharged, received an honorable discharge.

8 “(2) HARDSHIP EXCEPTION.—The Secretary
9 shall issue regulations that direct when the Depart-
10 ment shall waive the requirement of subparagraph
11 (A) or (B), or both, of paragraph (1) for an indi-
12 vidual to qualify as a Dreamer student under such
13 paragraph, if the individual—

14 “(A) demonstrates compelling circum-
15 stances for the inability to satisfy the require-
16 ment of such subparagraph (A) or (B), or both;
17 and

18 “(B) satisfies the requirement of para-
19 graph (1)(C).”.

1 **SEC. 5. REPEAL OF SUSPENSION OF ELIGIBILITY UNDER**
 2 **THE HIGHER EDUCATION ACT OF 1965 FOR**
 3 **GRANTS, LOANS, AND WORK ASSISTANCE FOR**
 4 **DRUG-RELATED OFFENSES.**

5 (a) REPEAL.—Subsection (r) of section 484 of the
 6 Higher Education Act of 1965 (20 U.S.C. 1091(r)) is re-
 7 pealed.

8 (b) REVISION OF FAFSA FORM.—Section 483 of the
 9 Higher Education Act of 1965 (20 U.S.C. 1090) is
 10 amended by adding at the end the following:

11 “(i) CONVICTIONS.—The Secretary shall not include
 12 any question about the conviction of an applicant for the
 13 possession or sale of illegal drugs on the FAFSA (or any
 14 other form developed under subsection (a)).”.

15 (c) CONFORMING AMENDMENTS.—The Higher Edu-
 16 cation Act of 1965 (20 U.S.C. 1001 et seq.) is amended—

17 (1) in section 428(b)(3) (20 U.S.C.
 18 1078(b)(3))—

19 (A) in subparagraph (C), by striking
 20 “485(l)” and inserting “485(k)”; and

21 (B) in subparagraph (D), by striking
 22 “485(l)” and inserting “485(k)”; and

23 (2) in section 435(d)(5) (20 U.S.C.
 24 1085(d)(5))—

25 (A) in subparagraph (E), by striking
 26 “485(l)” and inserting “485(k)”; and

1 (B) in subparagraph (F), by striking
2 “485(l)” and inserting “485(k)”;
3 (3) in section 484 (20 U.S.C. 1091), as amend-
4 ed by section 6, by redesignating subsections (s), (t),
5 and (u) as subsections (r), (s), and (t), respectively;
6 (4) in section 485 (20 U.S.C. 1092)—
7 (A) by striking subsection (k); and
8 (B) by redesignating subsections (l) and
9 (m) as subsections (k) and (l), respectively; and
10 (5) in section 487(e)(2)(B)(ii)(IV) (20 U.S.C.
11 1094(e)(2)(B)(ii)(IV)), by striking “(l) of section
12 485” and inserting “(k) of section 485”.

○