

116TH CONGRESS
1ST SESSION

S. _____

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 SENATE OF THE UNITED STATES

_____ introduced the following bill; which was read twice and 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”.

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

8 Section 401(b)(7)(C) of the Higher Education Act of
9 1965 (20 U.S.C. 1070a(b)(7)(C)) is amended—

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

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

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

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

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

13 “(I) \$10,000; reduced by

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

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

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

22 “(iv) SUBSEQUENT AWARD YEARS.—
23 For award year 2020–2021 and each sub-
24 sequent award year, the amount deter-
25 mined under this subparagraph for pur-

1 poses of subparagraph (B)(iii) shall be
2 equal to—

3 “(I) the amount determined
4 under this subparagraph for the pre-
5 ceding award year; increased by

6 “(II) a percentage equal to the
7 annual adjustment percentage for the
8 award year for which the amount
9 under this subparagraph is being de-
10 termined; and

11 “(III) rounded to the nearest
12 \$5.”.

13 **SEC. 3. INCREASE FAMILY INCOME THRESHOLD FOR DE-**
14 **TERMINATION OF EXPECTED FAMILY CON-**
15 **TRIBUTION EQUAL TO ZERO.**

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

19 **“SEC. 479. SIMPLIFIED APPLICATION.**

20 “(a) SIMPLIFIED APPLICATION SECTION.—

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

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

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

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

20 “(2) in the case of an independent student with
21 dependents other than a spouse, the sum of the ad-
22 justed gross income of the student and the student’s
23 spouse (if appropriate) is less than or equal to 250
24 percent of the poverty line (as defined by the Office
25 of Management and Budget, and revised annually in

1 accordance with section 673(2) of the Community
2 Services Block Grant Act (42 U.S.C. 9902(2))) ap-
3 plicable to a family of the size involved; or

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

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

20 (b) ADJUSTMENTS IN INCOME PROTECTION ALLOW-
21 ANCES.—For each academic year, the Secretary of Edu-
22 cation shall continue to publish in the Federal Register
23 a revised table of income protection allowances pursuant
24 to section 478(b)(1)(A) of the Higher Education Act of
25 1965 (20 U.S.C. 1087rr(b)(1)(A)).

1 **SEC. 4. STATE RESPONSIBILITY.**

2 (a) MAINTENANCE OF EFFORT REQUIREMENTS.—

3 Section 401 of the Higher Education Act of 1965 (20
4 U.S.C. 1070a) is amended by adding at the end the fol-
5 lowing:

6 “(k) INSTITUTIONAL INELIGIBILITY BASED ON FAIL-
7 URE OF STATE TO MAINTAIN HIGHER EDUCATION AP-
8 PROPRIATIONS LEVEL.—

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

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

1 a Federal Pell Grant for attendance at such institu-
2 tion for the fiscal year, if the institution—

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

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

14 “(3) WAIVER.—The Secretary may waive the
15 requirement of paragraph (1) for a State, for one
16 fiscal year at a time, and the provisions of para-
17 graph (2) shall have no effect for such fiscal year if
18 the Secretary determines that granting a waiver
19 would be equitable due to exceptional or uncontrol-
20 lable circumstances such as a natural disaster or a
21 precipitous and unforeseen decline in the financial
22 resources of the State.”.

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

2 (a) PROGRAM PARTICIPATION AGREEMENTS.—Sec-
3 tion 487 of the Higher Education Act of 1965 (20 U.S.C.
4 1094) is amended—

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

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

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

13 “(k) PERFORMANCE INDICATORS.—

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

16 “(A)(i) Graduation rates—

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

19 “(II) at 150 percent of the normal
20 time for graduation;

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

23 “(IV) each of which is disaggregated
24 by age (25 years old and younger, and
25 older than 25 years old), income, race and

1 ethnicity, and first-generation college sta-
2 tus.

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

8 “(iii) Withdrawal rates, including rates of
9 students who withdraw from a certificate pro-
10 gram to seek employment in a related field of
11 study.

12 “(B) Employment outcomes, including the
13 following:

14 “(i) The average salary of a graduate
15 3 years after graduation.

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

18 “(I) are employed full time;

19 “(II) are employed part-time;

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

22 “(IV) make more than \$25,000 a
23 year.

24 “(iii) The cohort repayment rate.

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

5 “(i) How satisfied are you with your
6 educational experience at [name of institu-
7 tion]?

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

11 “(D) The percentage of students who con-
12 tinue enrollment at the institution after the
13 first year of enrollment.

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

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

20 “(G) The median time to degree comple-
21 tion.

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

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

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

7 “(2) COHORT REPAYMENT RATE.—

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

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

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

21 “(B) EXCEPTION.—The ‘cohort repayment
22 rate’ calculation under subparagraph (A) shall
23 not include in the calculation a borrower who
24 is—

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

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

10 “(iii) in deferment on repayment of a
11 loan described in subparagraph (A) during
12 a period of service qualifying for loan dis-
13 charge or cancellation under part E;

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

19 “(v) in deferment on repayment of a
20 loan described in subparagraph (A) during
21 the 13 months following the conclusion of
22 qualifying active duty military service by
23 the borrower, or until the borrower returns
24 to enrollment on at least a half-time basis,
25 whichever is earlier, if the borrower is a

1 member of the National Guard or other re-
2 serve component of the Armed Forces and
3 was called or ordered to active duty while
4 enrolled at least half-time at an eligible
5 school or within 6 months of having been
6 enrolled at least half-time;

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

10 “(vii) serving as a volunteer under the
11 Peace Corps Act (22 U.S.C. 2501 et seq.)
12 or the Domestic Volunteer Service Act of
13 1973 (42 U.S.C. 4950 et seq.).

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

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

24 (b) ENHANCED DATA COLLECTION FOR INSTITU-
25 TIONS WITH ENROLLMENT RATES OF LESS THAN 5,000

1 STUDENTS.—Section 489(a) of the Higher Education Act
2 of 1965 (20 U.S.C. 1096(a)) is amended—

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

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

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

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

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

19 **SEC. 7. REPEAL OF INCREASED ESTATE AND GIFT TAX EX-**
20 **EMPTION.**

21 (a) IN GENERAL.—Section 2010(c)(3) of the Internal
22 Revenue Code of 1986 is amended by striking “January
23 1, 2026” and inserting “the date of the enactment of the
24 Degrees Not Debt Act of 2019”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to estates of decedents dying and
3 gifts made after the date of the enactment of this Act.