

105TH CONGRESS
1ST SESSION

H. R. 2546

To amend the Higher Education Act of 1965 to make college more affordable and accessible.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 25, 1997

Mr. CLAY (for himself and Mr. KILDEE) introduced the following bill; which was referred to the Committee on Education and the Workforce

A BILL

To amend the Higher Education Act of 1965 to make college more affordable and accessible.

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; REFERENCES.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “Higher Education Fairness Act of 1997”.

6 (b) **REFERENCES.**—Except as otherwise expressly
7 provided, whenever in this Act an amendment or repeal
8 is expressed in terms of an amendment to, or repeal of,
9 a section or other provision, the reference shall be consid-

1 ered to be made to a section or other provision of the
2 Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

3 **SEC. 2. FAMILY CONTRIBUTION FOR DEPENDENT STU-**
4 **DENTS.**

5 (a) PARENTS' AVAILABLE INCOME.—Section
6 475(c)(1) is amended—

7 (1) by striking “and” at the end of subpara-
8 graph (D);

9 (2) by striking the period at the end of sub-
10 paragraph (E) and inserting “; and”; and

11 (3) by adding at the end the following new sub-
12 paragraph:

13 “(F) the amount of any tax credit taken
14 by the parents under section 25A of the Inter-
15 nal Revenue Code of 1986.”.

16 (b) STUDENT CONTRIBUTION FROM AVAILABLE IN-
17 COME.—Section 475(g)(2) is amended—

18 (1) by striking “and” at the end of subpara-
19 graph (C);

20 (2) by striking “\$1,750” in subparagraph (D)
21 and inserting “\$2,250 (or a successor amount pre-
22 scribed by the Secretary under section 478)”;

23 (3) by striking the period at the end of sub-
24 paragraph (D); and

1 (4) by inserting after subparagraph (D) the fol-
2 lowing new subparagraph:

3 “(E) the amount of any tax credit taken
4 by the student under section 25A of the Inter-
5 nal Revenue Code of 1986.”.

6 **SEC. 3. FAMILY CONTRIBUTION FOR INDEPENDENT STU-**
7 **DENTS WITHOUT DEPENDENTS OTHER THAN**
8 **A SPOUSE.**

9 (a) FAMILY’S CONTRIBUTION FROM AVAILABLE
10 INCOME.—Section 476(b)(1)(A) (20 U.S.C.
11 1087pp(b)(1)(A)) is amended—

12 (1) by striking “and” at the end of clause (iv);

13 and

14 (2) by inserting after clause (v) the following
15 new clause:

16 “(vi) the amount of any tax credit
17 taken under section 25A of the Internal
18 Revenue Code of 1986; and”.

19 (b) INCOME PROTECTION ALLOWANCES.—Section
20 476(b)(1)(A)(iv) is amended—

21 (1) by striking “allowance of—” and inserting
22 “allowance of the following amount (or a successor
23 amount prescribed by the Secretary under section
24 478):”;

1 (2) by striking “\$3,000” each place it appears
2 in subclauses (I) and (II) and inserting “\$5,500”;
3 and

4 (3) by striking “\$6,000” in subclause (III) and
5 inserting “\$8,500”.

6 **SEC. 4. FAMILY CONTRIBUTION FOR INDEPENDENT STU-**
7 **DENTS WITH DEPENDENTS OTHER THAN A**
8 **SPOUSE.**

9 Section 477(b)(1) (20 U.S.C. 1087qq(b)(1)) is
10 amended—

11 (1) by striking “and” at the end of subpara-
12 graph (D);

13 (2) by striking the period at the end of sub-
14 paragraph (E) and inserting “; and”; and

15 (3) by adding at the end the following new sub-
16 paragraph:

17 “(F) the amount of any tax credit taken
18 under section 25A of the Internal Revenue
19 Code of 1986.”.

20 **SEC. 5. REGULATIONS; UPDATED TABLES AND AMOUNTS.**

21 Section 478(b) (20 U.S.C. 1087rr(b)) is amended—

22 (1) by striking “For each academic year” and
23 inserting the following:

24 “(1) REVISED TABLES.—For each academic
25 year”; and

1 (2) by adding at the end the following new
2 paragraph:

3 “(2) REVISED AMOUNTS.—For each academic
4 year after academic year 1997–1998, the Secretary
5 shall publish in the Federal Register revised income
6 protection allowances for the purpose of sections
7 475(g)(2)(D) and 476(b)(1)(A)(iv). Such revised al-
8 lowances shall be developed by increasing each of the
9 dollar amounts contained in such section by a per-
10 centage equal to the estimated percentage increase
11 in the Consumer Price Index (as determined by the
12 Secretary) between December 1996 and the Decem-
13 ber next preceding the beginning of such academic
14 year, and rounding the result to the nearest \$10.”.

15 **SEC. 6. DEFINITIONS.**

16 (a) TOTAL INCOME.—Section 480(a)(2) (20 U.S.C.
17 1087vv(a)(2)) is amended—

18 (1) by striking “individual, and” and inserting
19 “individual,”; and

20 (2) by inserting “, and no portion of any tax
21 credit taken under section 25A of the Internal Reve-
22 nue Code of 1986” before “shall be included”.

23 (b) EXCLUDABLE INCOME.—Section 480(e) is
24 amended

1 (1) by striking “and” at the end of paragraph
2 (3);

3 (2) by striking the period at the end of para-
4 graph (4) and inserting “; and”; and

5 (3) by adding after paragraph (4) the following
6 new paragraph:

7 “(5) any tax credit taken under section 25A of
8 the Internal Revenue Code of 1986.”.

9 (c) OTHER FINANCIAL ASSISTANCE.—Section 480(j)
10 is amended by adding at the end the following new para-
11 graph:

12 “(4) Notwithstanding paragraph (1), a tax credit
13 taken under section 25A of the Internal Revenue Code of
14 1986 shall not be treated as estimated financial assistance
15 for purposes of section 471(3).”.

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