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H. R. 3863

One Hundred Ninth Congress of the United States of America

AT THE FIRST SESSION

Begun and held at the City of Washington on Tuesday, the fourth day of January, two thousand and five

An Act

To provide the Secretary of Education with waiver authority for the reallocation rules in the Campus-Based Aid programs, and to extend the deadline by which funds have to be reallocated to institutions of higher education due to a natural disaster.

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

SECTION 1. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This Act may be cited as the "Natural Disaster Student Aid Fairness Act".

(b) REFERENCES.—References in this Act to "the Act" are references to the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

SEC. 2. ALLOCATION AND USE OF CAMPUS-BASED HIGHER EDUCATION ASSISTANCE.

(a) WAIVER OF MATCHING REQUIREMENTS.—Notwithstanding sections 413C(a)(2), 443(b)(5), and 463(a)(2) of the Act (20 U.S.C. 1070b–2(a)(2); 42 U.S.C. 2753(b)(5); 20 U.S.C. 1087cc(a)(2)), with respect to funds made available for academic years 2004–2005 and 2005–2006—

(1) in the case of an institution of higher education located in an area affected by a Gulf hurricane disaster, the Secretary shall waive the requirement that a participating institution of higher education provide a non-Federal share or a capital contribution, as the case may be, to match Federal funds provided to the institution for the programs authorized pursuant to subpart 3 of part A, part C, and part E of title IV of the Act; and

(2) in the case of an institution of higher education that has accepted for enrollment any affected students, the Secretary may waive that matching requirement after considering the institution's student population and existing resources, using consistent and objective criteria.

(b) WAIVER OF REALLOCATION RULES.—

(1) AUTHORITY TO REALLOCATE.—Notwithstanding sections 413D(d), 442(d), and 462(I) of the Act (20 U.S.C. 1070b–3(d); 42 U.S.C. 2752(d); 20 U.S.C. 1087bb(I)), the Secretary shall—

(A) reallocate any funds returned under any of those sections that were allocated to institutions of higher education for award year 2004–2005 to an institution of higher education that is eligible under paragraph (2) of this subsection; and

(B) waive the allocation reduction for award year 2006–2007 for an institution returning more than 10 percent of its allocation under any of those sections.

(2) ELIGIBLE INSTITUTIONS FOR REALLOCATION.—An institution of higher education may receive a reallocation of excess allocations under this subsection if the institution—

(A) participates in the program for which excess allocations are being reallocated; and

(B)(i) is located in an area affected by a Gulf hurricane disaster; or

(ii) has accepted for enrollment any affected students in academic year 2005–2006.

(3) BASIS OF REALLOCATION.—The Secretary shall determine the manner in which excess allocations shall be reallocated to institutions under paragraph (1), and shall give additional consideration to the needs of institutions located in an area affected by a Gulf hurricane disaster.

(4) ADDITIONAL WAIVER AUTHORITY.—Notwithstanding any other provision of law, in order to carry out this subsection, the Secretary may waive or modify any statutory or regulatory provision relating to the reallocation of excess allocations under subpart 3 of part A, part C, or part E of title IV of the Act in order to ensure that assistance is received by affected institutions for affected students.

(c) AVAILABILITY OF FUNDS DATE EXTENSION.—Notwithstanding any other provision of law—

(1) any funds available to the Secretary under sections 413A, 441, and 461 of the Act (20 U.S.C. 1070b; 42 U.S.C. 2751; 20 U.S.C. 1087aa) for which the period of availability would otherwise expire on September 30, 2005, shall be available for obligation by the Secretary until September 30, 2006 for the purposes of the programs authorized pursuant to subpart 3 of part A, part C, and part E of title IV of the Act, respectively; and

(2) the Secretary may recall any funds allocated to an institution of higher education for award year 2004–2005 under section 413D, 442, or 462 of the Act that, if not returned to the Secretary as excess allocations pursuant to any of those sections, would otherwise lapse on September 30, 2005, and reallocate those funds in accordance with subsection (b)(1).

SEC. 3. EMERGENCY DESIGNATION.

Section 2 of this Act is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress).

SEC. 4. TERMINATION OF AUTHORITY.

The provisions of this Act shall cease to be effective one year after the date of the enactment of this Act.

SEC. 5. DEFINITIONS.

In this Act:

(1) SECRETARY.—The term "Secretary" means the Secretary of Education.

(2) AFFECTED STUDENT.—The term "affected student" means an individual who has applied for or received student financial assistance under title IV of the Act, and who—

(A) was enrolled or accepted for enrollment, as of August 29, 2005, at an institution of higher education in an area affected by a Gulf hurricane disaster;

(B) was a dependent student enrolled or accepted for enrollment at an institution of higher education that is not in an area affected by a Gulf hurricane disaster, but whose parents resided or were employed, as of August 29, 2005, in an area affected by a Gulf hurricane disaster; or

(C) suffered direct economic hardship as a direct result of a Gulf hurricane disaster, as determined by the Secretary using consistent and objective criteria.

(3) GULF HURRICANE DISASTER.—The term "Gulf hurricane disaster" means a major disaster that the President declared to exist, in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170), and that was caused by Hurricane Katrina or Hurricane Rita.

(4) AREA AFFECTED BY A GULF HURRICANE DISASTER.—The term "area affected by a Gulf hurricane disaster" means a county or parish, in an affected State, that has been designated by the Federal Emergency Management Agency for disaster assistance for individuals and households as a result of Hurricane Katrina or Hurricane Rita.

(5) AFFECTED STATE.—The term "affected State" means the State of Alabama, Louisiana, Mississippi, or Texas.

(6) INSTITUTION OF HIGHER EDUCATION.—The term "institution of higher education" has the meaning given that term in section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002).

Speaker of the House of Representatives.

Vice President of the United States and President of the Senate.