

Calendar No. 82

109TH CONGRESS
1ST SESSION**S. 848**

To improve education, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 19, 2005

Mr. BINGAMAN introduced the following bill; which was read the first time

APRIL 20, 2005

Read the second time and placed on the calendar

A BILL

To improve education, 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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Educational Reform Act of 2005”.

6 (b) TABLE OF CONTENTS.—The table of contents for
7 this Act is as follows:

Sec. 1 Short title; table of contents.

TITLE I—STRENGTHENING HEAD START AND CHILD CARE
PROGRAMS

Subtitle A—Increasing Access to Head Start Programs

- Sec. 101 Authorization of appropriations.
- Sec. 102 Strengthening Indian and migrant and seasonal Head Start programs.
- Sec. 103 Expanding Early Head Start programs.
- Sec. 104 Participation in Head Start programs.

Subtitle B—Enhancing the School Readiness of Head Start Children

- Sec. 111 School readiness standards.
- Sec. 112 Staff.

Subtitle C—Expanding Access to Quality, Affordable Child Care

- Sec. 121 Authorization of appropriations.

Subtitle D—Strengthening the Quality of Child Care

- Sec. 131 State plan requirements relating to training.
- Sec. 132 Strengthening the quality of child care.

TITLE II—IMPROVEMENT OF ELEMENTARY AND SECONDARY EDUCATION

Subtitle A—Public School Choice, Supplemental Educational Services, and Teacher Quality

- Sec. 201 Public school choice capacity.
- Sec. 202 Supplemental educational services.
- Sec. 203 Qualifications for teachers and paraprofessionals.

Subtitle B—Adequate Yearly Progress Determinations

- Sec. 221 Review of adequate yearly progress determinations for schools for the 2002–2003 school year.
- Sec. 222 Review of adequate yearly progress determinations for local educational agencies for the 2002–2003 school year.
- Sec. 223 Definitions.

Subtitle C—Technical Assistance

- Sec. 251 Technical assistance.

TITLE III—PROVIDING A ROADMAP FOR FIRST GENERATION COLLEGE FOR STUDENTS

- Sec. 301 Expansion of TRIO and GEARUP.

TITLE IV—COLLEGE TUITION RELIEF FOR STUDENTS AND THEIR FAMILIES THROUGH PELL GRANTS

- Sec. 401 Pell Grants tax tables hold harmless.
- Sec. 402 Sense of the Senate regarding increasing the maximum Pell Grant.
- Sec. 403 Establishment of a Pell demonstration program.

TITLE V—TUITION FREE COLLEGE FOR MATHEMATICS, SCIENCE, AND SPECIAL EDUCATION TEACHERS

- Sec. 501 Purpose.

Sec. 502 Tuition free college for mathematics, science, and special education teachers.

Sec. 503 Offset for tuition free college for mathematics, science, and special education teachers.

TITLE VI—HOPE AND LIFETIME LEARNING CREDITS TO BE
REFUNDABLE

Sec. 601 Hope and Lifetime Learning credits to be refundable.

1 **TITLE I—STRENGTHENING HEAD**
2 **START AND CHILD CARE PRO-**
3 **GRAMS**

4 **Subtitle A—Increasing Access to**
5 **Head Start Programs**

6 **SEC. 101. AUTHORIZATION OF APPROPRIATIONS.**

7 Section 639(a) of the Head Start Act (42 U.S.C.
8 9834(a)) is amended by striking “such sums” and all that
9 follows and inserting the following: “\$8,570,000,000 for
10 fiscal year 2006, \$10,445,000,000 for fiscal year 2007,
11 \$12,384,000,000 for fiscal year 2008, \$14,334,000,000
12 for fiscal year 2009, and \$16,332,000,000 for fiscal year
13 2010.”.

14 **SEC. 102. STRENGTHENING INDIAN AND MIGRANT AND**
15 **SEASONAL HEAD START PROGRAMS.**

16 Section 640(a)(2) of the Head Start Act (42 U.S.C.
17 9835(a)(2)) is amended by striking subparagraph (A) and
18 inserting the following:

19 “(A) Indian Head Start programs, services for
20 children with disabilities, and migrant and seasonal
21 Head Start programs, except that the Secretary

1 shall reserve for each fiscal year for use by Indian
2 Head Start and migrant and seasonal Head Start
3 programs (referred to in this subparagraph as ‘cov-
4 ered programs’), on a nationwide basis, a sum that
5 is the total of not less than 4 percent of the amount
6 appropriated under section 639(a) for that fiscal
7 year (for Indian Head Start programs), and not less
8 than 5 percent of that appropriated amount (for mi-
9 grant and seasonal Head Start programs), except
10 that—

11 “(i) if reserving the specified percentages
12 for covered programs and would reduce the
13 number of children served by Head Start pro-
14 grams, relative to the number of children served
15 on the date of enactment of the Educational
16 Reform Act of 2005, taking into consideration
17 an appropriate adjustment for inflation, the
18 Secretary shall reserve percentages that ap-
19 proach, as closely as practicable, the specified
20 percentages and that do not cause such a re-
21 duction; and

22 “(ii) notwithstanding any other provision
23 of this subparagraph, the Secretary shall re-
24 serve for each fiscal year for use by Indian
25 Head Start programs and by migrant and sea-

1 sonal Head Start programs, on a nationwide
2 basis, not less than the amount that was obli-
3 gated for use by Indian Head Start programs
4 and by migrant and seasonal Head Start pro-
5 grams, respectively, for the previous fiscal
6 year;”.

7 **SEC. 103. EXPANDING EARLY HEAD START PROGRAMS.**

8 Section 640(a)(6) of the Head Start Act (42 U.S.C.
9 9835(a)(6)) is amended—

10 (1) in subparagraph (A), by striking “7.5 per-
11 cent for fiscal year 1999” and all that follows and
12 inserting “12 percent for fiscal year 2006, 14 per-
13 cent for fiscal year 2007, 16 percent for fiscal year
14 2008, 18 percent for fiscal year 2009, and 20 per-
15 cent for fiscal year 2010, of the amount appro-
16 priated pursuant to section 639(a).”;

17 (2) by striking subparagraph (B); and

18 (3) by redesignating subparagraph (C) as sub-
19 paragraph (B).

20 **SEC. 104. PARTICIPATION IN HEAD START PROGRAMS.**

21 Section 645 of the Head Start Act (42 U.S.C. 9840)
22 is amended—

23 (1) in subsection (a)(1)(A), by inserting “130
24 percent of” after “below”; and

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

1 “(e) After demonstrating a need through a commu-
 2 nity needs assessment, a Head Start agency may apply
 3 to the Secretary to convert part-day sessions, particularly
 4 consecutive part-day sessions, into full-day sessions.”.

5 **Subtitle B—Enhancing the School** 6 **Readiness of Head Start Children**

7 **SEC. 111. SCHOOL READINESS STANDARDS.**

8 Section 641A(a)(1)(B)(ii) of the Head Start Act (42
 9 U.S.C. 9836a(a)(1)(B)(ii)) is amended by striking “at a
 10 minimum” and all that follows and inserting the following:

11 “at a minimum, develop and demonstrate—

12 “(I) language skills, including an ex-
 13 panded use of vocabulary;

14 “(II) interest in and appreciation of
 15 books, reading, and writing (either alone or
 16 with others), phonological and phonemic
 17 awareness, and varied modes of expression
 18 and communication;

19 “(III) premathematics knowledge and
 20 skills, including knowledge and skills relat-
 21 ing to aspects of classification, seriation,
 22 numbers, spatial relations, and time;

23 “(IV) cognitive abilities related to aca-
 24 demic achievement;

1 “(V) abilities related to social and
2 emotional development;

3 “(VI) gross and fine motor skills; and

4 “(VII) in the case of children with
5 limited English proficiency, abilities related
6 to progress toward acquisition of the
7 English language.”.

8 **SEC. 112. STAFF.**

9 (a) **STAFF QUALIFICATIONS AND DEVELOPMENT.**—
10 Section 648A of the Head Start Act (42 U.S.C. 9843a)
11 is amended—

12 (1) in subsection (a)(2)—

13 (A) in subparagraph (A)—

14 (i) in the matter preceding clause (i),
15 by striking “not later than September 30,
16 2003” and all that follows through “pro-
17 grams have” and inserting “not later than
18 the date determined under subparagraph
19 (D) for a Head Start region, each Head
20 Start agency in the region with a center-
21 based program shall ensure that all class-
22 rooms in the program have at least 1
23 teacher who has”;

1 (ii) in clause (i), strike “an associate,
2 baccalaureate,” and insert “a bacca-
3 laureate”; and

4 (iii) in clause (ii), strike “an asso-
5 ciate, baccalaureate,” and insert “a bacca-
6 laureate”; and

7 (B) by striking subparagraph (B) and in-
8 serting the following:

9 “(B) TEMPORARY REQUIREMENT.—Until
10 the date determined under subparagraph (D)
11 for a Head Start region, the Secretary shall en-
12 sure that at least 50 percent of all Head Start
13 teachers in the region in center-based programs
14 have—

15 “(i) an associate, baccalaureate, or
16 advanced degree in early childhood edu-
17 cation; or

18 “(ii) an associate, baccalaureate, or
19 advanced degree in a field related to early
20 childhood education, with experience in
21 teaching preschool children.

22 “(C) REQUIREMENT FOR NEW HEAD
23 START TEACHERS.—Not later than 3 years
24 after the date of enactment of the Educational
25 Reform Act of 2005, the Secretary shall require

1 that all teachers hired nationwide in center-
2 based programs of Head Start agencies fol-
3 lowing the date of the requirement—

4 “(i) have an associate, baccalaureate,
5 or advanced degree in early childhood edu-
6 cation;

7 “(ii) have an associate, baccalaureate,
8 or advanced degree in a field related to
9 early childhood education, with experience
10 in teaching preschool children; or

11 “(iii) be enrolled, or enroll not later
12 than 1 year after the date of hire, in a pro-
13 gram of study leading to an associate de-
14 gree in early childhood education.

15 “(D) APPROPRIATE DATE.—The Secretary
16 shall determine an appropriate date for Head
17 Start agencies in each Head Start region to
18 reach the result described in subparagraph (A),
19 but in no case shall such a date be later than
20 8 years after the date of enactment of the Edu-
21 cational Reform Act of 2005.

22 “(E) PROGRESS.—

23 “(i) REQUIREMENT.—The Secretary
24 shall require Head Start agencies with cen-
25 ter-based programs to demonstrate con-

1 tinuing and consistent progress each year
2 to reach the results described in subpara-
3 graphs (A) and (C).

4 “(ii) PLAN.—Each State shall estab-
5 lish a plan for the Head Start agencies
6 with center-based programs in the State to
7 reach the results described in subpara-
8 graphs (A) and (C).

9 “(iii) PROGRESS.—Each Head Start
10 agency shall prepare and submit to the
11 Secretary and the Governor of the State a
12 report indicating the number and percent-
13 age of its teachers in center-based pro-
14 grams with child development associate
15 credentials or associate, baccalaureate, or
16 advanced degrees in early childhood edu-
17 cation or a field related to early childhood
18 education. The Secretary shall compile all
19 such reports and submit a summary of the
20 compiled reports to the Committee on
21 Education and the Workforce of the House
22 of Representatives and the Committee on
23 Health, Education, Labor, and Pensions of
24 the Senate.”;

1 (2) in subsection (a)(3), by striking “(2)(A)”
2 and inserting “(2)(B)”; and

3 (3) by adding at the end the following:

4 “(f) PRE-LITERACY AND LANGUAGE TRAINING.—To
5 support local efforts to enhance early language and pre-
6 literacy development of children in Head Start programs,
7 and to provide the children with high-quality oral language
8 skills and environments that are rich in literature, in
9 which to acquire early language and pre-literacy skills,
10 each Head Start agency shall ensure that all of the agen-
11 cy’s Head Start teachers receive ongoing training in lan-
12 guage and emergent literacy. Such training shall also in-
13 clude information regarding appropriate curricula and as-
14 sessments to improve instruction and learning. Such train-
15 ing shall include training in methods to promote phono-
16 logical and phonemic awareness and vocabulary develop-
17 ment in an age-appropriate and culturally and linguis-
18 tically appropriate manner.

19 “(g) PROFESSIONAL DEVELOPMENT PLANS.—Each
20 Head Start agency and center shall create, in consultation
21 with employees of the agency or center (including family
22 service workers), a professional development plan for em-
23 ployees who provide direct services to children, including
24 a plan for teachers, to meet the requirements set forth
25 in subsection (a).”.

1 (b) ATTRACTING AND RETAINING HIGH-QUALITY
2 HEAD START TEACHERS; TRIBAL COLLEGE OR UNIVER-
3 SITY-HEAD START PARTNERSHIP PROGRAM.—

4 (1) PROGRAM.—The Head Start Act is amend-
5 ed by inserting after section 648A (42 U.S.C.
6 9843a) the following:

7 **“SEC. 648B. ATTRACTING AND RETAINING HIGH-QUALITY**
8 **HEAD START TEACHERS.**

9 “(a) IN GENERAL.—The Secretary shall make grants
10 to eligible Head Start agencies to enable the agencies to
11 reach the results described in subparagraphs (A) and (C)
12 of section 648A(a)(2). The Secretary shall make the
13 grants from allotments determined under subsection (b).

14 “(b) ALLOTMENTS.—From the funds made available
15 under section 639(c) for a fiscal year and not reserved
16 under subsection (d), the Secretary shall allot to each
17 Head Start agency an amount that bears the same rela-
18 tionship to such funds as the amount received by the agen-
19 cy under section 640 for that fiscal year bears to the
20 amount received by all Head Start agencies under section
21 640 for that fiscal year.

22 “(c) SALARY PLAN.—A Head Start agency that re-
23 ceives a grant under this section shall develop and carry
24 out a plan to raise the average salaries of teachers in the
25 agency’s Head Start programs. In developing the plan, the

1 agency shall take into consideration the training, level of
 2 education, and experience of the teachers, and the average
 3 salaries of prekindergarten and kindergarten teachers em-
 4 ployed by the local educational agency for the school dis-
 5 trict in which the Head Start agency is located, with simi-
 6 lar training, level of education, and experience.

7 “(d) SALARIES IN HIGH-COST AREAS.—The Sec-
 8 retary may reserve and use a portion of the funds available
 9 under section 639(c) to assist Head Start agencies located
 10 in high-cost areas to help reduce the discrepancy between
 11 such average salaries of such teachers and such average
 12 salaries of such prekindergarten and kindergarten teach-
 13 ers.

14 **“SEC. 648C. TRIBAL COLLEGE OR UNIVERSITY-HEAD START**
 15 **PARTNERSHIP PROGRAM.**

16 “(a) TRIBAL COLLEGE OR UNIVERSITY-HEAD START
 17 PARTNERSHIP PROGRAM.—

18 “(1) GRANTS.—The Secretary is authorized to
 19 award grants, for periods of not less than 5 years,
 20 to Tribal Colleges and Universities to—

21 “(A) implement education programs that
 22 include tribal culture and language and increase
 23 the number of associate, baccalaureate, and
 24 graduate degrees in early childhood education
 25 and related fields that are earned by Indian

1 Head Start agency staff members, parents of
2 children served by such an agency, and mem-
3 bers of the tribal community involved;

4 “(B) develop and implement the programs
5 under subparagraph (A) in technology-mediated
6 formats; and

7 “(C) provide technology literacy programs
8 for Indian Head Start agency staff members
9 and children and families of children served by
10 such an agency.

11 “(2) STAFFING.—The Secretary shall ensure
12 that the American Indian Programs Branch of the
13 Head Start Bureau of the Department of Health
14 and Human Services shall have staffing sufficient to
15 administer the programs under this section and to
16 provide appropriate technical assistance to Tribal
17 Colleges and Universities receiving grants under this
18 section.

19 “(b) APPLICATION.—Each Tribal College or Univer-
20 sity desiring a grant under this section shall submit an
21 application to the Secretary, at such time, in such manner,
22 and containing such information as the Secretary may re-
23 quire, including a certification that the Tribal College or
24 University has established a partnership with 1 or more

1 Indian Head Start agencies for the purpose of conducting
2 the activities described in subsection (a).

3 “(c) DEFINITIONS.—In this section:

4 “(1) INSTITUTION OF HIGHER EDUCATION.—

5 The term ‘institution of higher education’ has the
6 meaning given such term in section 101(a) of the
7 Higher Education Act of 1965 (20 U.S.C. 1001(a)).

8 “(2) TRIBAL COLLEGE OR UNIVERSITY.—The
9 term ‘Tribal College or University’ means an institu-
10 tion that is—

11 “(A) a Tribal College or University, as de-
12 fined in section 316(b) of the Higher Education
13 Act of 1965 (20 U.S.C. 1059c(b)); and

14 “(B) determined to be accredited or a can-
15 didate for accreditation by a nationally recog-
16 nized accrediting agency or association.”.

17 (2) AUTHORIZATION OF APPROPRIATIONS.—

18 Section 639 of the Head Start Act (42 U.S.C. 9834)
19 is amended—

20 (A) in subsection (a), by inserting “(other
21 than section 648B or 648C)” after “this sub-
22 chapter”; and

23 (B) by adding at the end the following:

24 “(c) There are authorized to be appropriated to carry
25 out section 648B \$387,000,000 for fiscal year 2006,

1 \$496,000,000 for fiscal year 2007, \$608,000,000 for fis-
2 cal year 2008, \$723,000,000 for fiscal year 2009, and
3 \$841,000,000 for fiscal year 2010.

4 “(d) There are authorized to be appropriated to carry
5 out section 648C, \$10,000,000 for fiscal year 2006 and
6 such sums as may be necessary for each of fiscal years
7 2007 through 2010.”.

8 (3) CONFORMING AMENDMENTS.—Section 640
9 of the Head Start Act (42 U.S.C. 9835) is amend-
10 ed—

11 (A) in subsection (a)—

12 (i) in paragraph (1), by striking “sec-
13 tion 639” and inserting “section 639(a)”;

14 (ii) in paragraph (2)—

15 (I) in the matter preceding sub-
16 paragraph (A), by inserting “pursuant
17 to section 639(a)” after “appro-
18 priated”;

19 (II) in subparagraph (B), in the
20 matter following clause (ii), by insert-
21 ing “pursuant to section 639(a)” after
22 “appropriated”; and

23 (III) in subparagraph (C), by in-
24 serting “pursuant to section 639(a)”

1 after “appropriated” each place it ap-
2 pears; and

3 (iii) in paragraph (4), in the matter
4 preceding subparagraph (A), by inserting
5 “pursuant to section 639(a)” after “appro-
6 priated”; and

7 (B) in subsection (g)(1), by inserting “pur-
8 suant to section 639(a)” after “appropriated”
9 each place it appears.

10 **Subtitle C—Expanding Access to** 11 **Quality, Affordable Child Care**

12 **SEC. 121. AUTHORIZATION OF APPROPRIATIONS.**

13 Section 658B of the Child Care and Development
14 Block Grant Act of 1990 (42 U.S.C. 9858) is amended—

15 (1) by striking “is” and inserting “are”; and

16 (2) by striking “subchapter” and all that fol-
17 lows and inserting “subchapter \$3,100,000,000 for
18 fiscal year 2006, \$4,100,000,000 for fiscal year
19 2007, \$5,100,000,000 for fiscal year 2008,
20 \$6,100,000,000 for fiscal year 2009, and
21 \$7,100,000,000 for fiscal year 2010.”.

1 **Subtitle D—Strengthening the**
2 **Quality of Child Care**

3 **SEC. 131. STATE PLAN REQUIREMENTS RELATING TO**
4 **TRAINING.**

5 Section 658E(c) of the Child Care and Development
6 Block Grant Act of 1990 (42 U.S.C. 9858c(c)) is amended
7 by adding at the end the following:

8 “(6) TRAINING IN EARLY LEARNING AND
9 CHILDHOOD DEVELOPMENT.—The State plan shall
10 describe any training requirements that are in effect
11 within the State that are designed to enable child
12 care providers to promote the social, emotional,
13 physical, and cognitive development of children and
14 that are applicable to child care providers that pro-
15 vide services for which assistance is made available
16 under this subchapter in the State.”.

17 **SEC. 132. STRENGTHENING THE QUALITY OF CHILD CARE.**

18 Section 658G of the Child Care and Development
19 Block Grant Act of 1990 (42 U.S.C. 9858e) is amended
20 to read as follows:

21 **“SEC. 658G. ACTIVITIES TO IMPROVE THE QUALITY OF**
22 **CHILD CARE.**

23 “(a) IN GENERAL.—

24 “(1) RESERVATION.—Each State that receives
25 funds appropriated under section 639(a) for a fiscal

1 year shall reserve and use not less than 6 percent
2 of the funds for activities provided directly, or
3 through grants or contracts with resource and refer-
4 ral organizations or other appropriate entities, that
5 are designed to improve the quality of child care
6 services.

7 “(2) ACTIVITIES.—The funds reserved under
8 paragraph (1) may only be used to—

9 “(A) develop and implement voluntary
10 guidelines on pre-reading and language skills
11 and activities, for child care programs in the
12 State, that are aligned with State standards for
13 kindergarten through grade 12 or the State’s
14 general goals for school preparedness;

15 “(B) support activities and provide tech-
16 nical assistance in child care settings to en-
17 hance early learning for young children, to pro-
18 mote literacy, and to foster school prepared-
19 ness;

20 “(C) offer training, professional develop-
21 ment, and educational opportunities for child
22 care providers that relate to the use of develop-
23 mentally appropriate and age-appropriate cur-
24 ricula, and early childhood teaching strategies,
25 that are scientifically based and aligned with

1 the social, emotional, physical, and cognitive de-
2 velopment of children, including—

3 “(i) developing and operating distance
4 learning child care training infrastructures;

5 “(ii) developing model technology-
6 based training courses;

7 “(iii) offering training for caregivers
8 in informal child care settings; and

9 “(iv) offering training for child care
10 providers who care for infants and toddlers
11 and children with special needs;

12 “(D) engage in programs designed to in-
13 crease the retention and improve the com-
14 petencies of child care providers, including wage
15 incentive programs and initiatives that establish
16 tiered payment rates for providers that meet or
17 exceed child care services guidelines, as defined
18 by the State;

19 “(E) evaluate and assess the quality and
20 effectiveness of child care programs and serv-
21 ices offered in the State to young children on
22 improving overall school preparedness; and

23 “(F) carry out other activities determined
24 by the State to improve the quality of child care
25 services provided in the State and for which

1 measurement of outcomes relating to improved
 2 child safety, child well-being, or school pre-
 3 paredness is possible.

4 “(b) CERTIFICATION.—For each fiscal year begin-
 5 ning after September 30, 2005, the State shall annually
 6 submit to the Secretary a certification in which the State
 7 certifies and demonstrates that the State was in compli-
 8 ance with subsection (a) during the preceding fiscal year
 9 and describes how the State used funds made available
 10 to carry out this subchapter to comply with subsection (a)
 11 during that preceding fiscal year.”.

12 **TITLE II—IMPROVEMENT OF EL-**
 13 **EMENTARY AND SECONDARY**
 14 **EDUCATION**

15 **Subtitle A—Public School Choice,**
 16 **Supplemental Educational Serv-**
 17 **ices, and Teacher Quality**

18 **SEC. 201. PUBLIC SCHOOL CHOICE CAPACITY.**

19 (a) SCHOOL CAPACITY.—Section 1116(b)(1)(E) of
 20 the Elementary and Secondary Education Act of 1965 (20
 21 U.S.C. 6316(b)(1)(E)) is amended—

22 (1) in clause (i), by striking “In the case” and
 23 inserting “Subject to clauses (ii) and (iii), in the
 24 case”;

25 (2) by redesignating clause (ii) as clause (iii);

1 (3) by inserting after clause (i) the following:

2 “(ii) SCHOOL CAPACITY.—The obliga-
3 tion of a local educational agency to pro-
4 vide the option to transfer to students
5 under clause (i) is subject to all applicable
6 State and local health and safety code re-
7 quirements regarding facility capacity.”;
8 and

9 (4) in clause (iii) (as redesignated by paragraph
10 (2)), by inserting “and subject to clause (ii),” after
11 “public school,”.

12 (b) GRANTS FOR SCHOOL CONSTRUCTION AND REN-
13 OVATION.—

14 (1) IN GENERAL.—Subpart 1 of part A of title
15 I of the Elementary and Secondary Education Act
16 of 1965 (20 U.S.C. 6311 et seq.) is amended by
17 adding at the end the following:

18 **“SEC. 1120C. GRANTS FOR SCHOOL CONSTRUCTION AND**
19 **RENOVATION.**

20 “(a) PROGRAM AUTHORIZED.—From funds appro-
21 priated under subsection (g), the Secretary is authorized
22 to award grants to local educational agencies experiencing
23 overcrowding in the schools served by the local educational
24 agencies, for the construction and renovation of safe,
25 healthy, high-performance school buildings.

1 “(b) APPLICATION.—Each local educational agency
2 desiring a grant under this section shall submit an appli-
3 cation to the Secretary at such time, in such manner, and
4 accompanied by such additional information as the Sec-
5 retary may require.

6 “(c) PRIORITY.—In awarding grants under this sec-
7 tion, the Secretary shall give priority to local educational
8 agencies—

9 “(1) who have documented difficulties in meet-
10 ing the public school choice requirements of para-
11 graph (1)(E), (5)(A), (7)(C)(i), or (8)(A)(i) of sec-
12 tion 1116(b), or section 1116(c)(10)(C)(vii); and

13 “(2) with the highest number of schools at or
14 above capacity.

15 “(d) AWARD BASIS.—From funds remaining after
16 awarding grants under subsection (c), the Secretary shall
17 award grants to local educational agencies that are experi-
18 encing overcrowding in the schools served by the local edu-
19 cational agencies.

20 “(e) PREVAILING WAGES.—Any laborer or mechanic
21 employed by any contractor or subcontractor in the per-
22 formance of work on any construction funded by a grant
23 awarded under this section will be paid wages at rates not
24 less than those prevailing on similar construction in the
25 locality as determined by the Secretary of Labor under

1 subchapter IV of chapter 31 of title 40, United States
2 Code (commonly referred to as the Davis-Bacon Act).

3 “(f) DEFINITIONS.—In this section:

4 “(1) AT OR ABOVE CAPACITY.—The term ‘at or
5 above capacity’, in reference to a school, means a
6 school in which 1 additional student would increase
7 the average class size of the school above the aver-
8 age class size of all schools in the State in which the
9 school is located.

10 “(2) HEALTHY, HIGH-PERFORMANCE SCHOOL
11 BUILDING.—The term ‘healthy, high-performance
12 school building’ has the meaning given such term in
13 section 5586.

14 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
15 are authorized to be appropriated to carry out this section
16 \$250,000,000 for fiscal year 2006, and such sums as may
17 be necessary for each of the 2 succeeding fiscal years.”.

18 (2) TABLE OF CONTENTS.—The table of con-
19 tents of the Elementary and Secondary Education
20 Act of 1965 (20 U.S.C.6301 note) is amended by in-
21 serting after the item relating to section 1120B the
22 following:

“Sec. 1120C Grants for school construction and renovation.”.

23 **SEC. 202. SUPPLEMENTAL EDUCATIONAL SERVICES.**

24 Section 1116(e) of the Elementary and Secondary
25 Education Act of 1965 (20 U.S.C. 6316(e)) is amended—

1 (1) in paragraph (4)—

2 (A) in subparagraph (B), by striking the
3 semicolon and inserting “, including criteria
4 that—

5 “(i) ensure that personnel delivering
6 supplemental educational services to stu-
7 dents have adequate qualifications; and

8 “(ii) may, at the State’s discretion,
9 ensure that personnel delivering supple-
10 mental educational services to students are
11 teachers that are highly qualified, as such
12 term is defined in section 9101;”;

13 (B) in subparagraph (D), by striking
14 “and” after the semicolon;

15 (C) in subparagraph (E), by striking the
16 period and inserting “; and”; and

17 (D) by adding at the end the following:

18 “(F) ensure that the list of approved pro-
19 viders of supplemental educational services de-
20 scribed in subparagraph (C) includes a choice
21 of providers that have sufficient capacity to pro-
22 vide effective services for children who are lim-
23 ited English proficient and children with dis-
24 abilities.”;

25 (2) in paragraph (5)(C)—

1 (A) by striking “applicable”; and

2 (B) by inserting before the period “, and
3 acknowledge in writing that, as an approved
4 provider in the relevant State educational agen-
5 cy program of providing supplemental edu-
6 cational services, the provider is deemed to be
7 a recipient of Federal financial assistance”;

8 (3) by redesignating paragraphs (6), (7), (8),
9 (9), (10), (11), and (12) as paragraphs (7), (8), (9),
10 (10), (11), (12), and (13), respectively;

11 (4) by inserting after paragraph (5) the fol-
12 lowing:

13 “(6) RULE OF CONSTRUCTION.—Nothing in
14 this section shall be construed to prohibit a local
15 educational agency from being considered by a State
16 educational agency as a potential provider of supple-
17 mental educational services under this subsection, if
18 such local educational agency meets the criteria
19 adopted by the State educational agency in accord-
20 ance with paragraph (5).”;

21 (5) in paragraph (13) (as redesignated by para-
22 graph (3))—

23 (A) in subparagraph (B)—

24 (i) in clause (ii), by striking “and”
25 after the semicolon;

1 (ii) in clause (iii), by striking “and”
2 after the semicolon; and

3 (iii) by adding at the end the fol-
4 lowing:

5 “(iv) may employ teachers who are
6 highly qualified, as such term is defined in
7 section 9101; and

8 “(v) pursuant to its inclusion on the
9 relevant State educational agency’s list de-
10 scribed in paragraph (4)(C), is deemed to
11 be a recipient of Federal financial assist-
12 ance; and”;

13 (B) in subparagraph (C)—

14 (i) in the matter preceding clause (i),
15 by striking “are”;

16 (ii) in clause (i)—

17 (I) by inserting “are” before “in
18 addition”; and

19 (II) by striking “and” after the
20 semicolon;

21 (iii) in clause (ii), by striking the pe-
22 riod and inserting “; and”;

23 (iv) by adding at the end the fol-
24 lowing:

1 “(iii) if provided by providers that are
2 included on the relevant State educational
3 agency’s list described in paragraph
4 (4)(C), shall be deemed to be programs or
5 activities of the relevant State educational
6 agency.”; and

7 (6) by adding at the end the following:

8 “(14) CIVIL RIGHTS.—In providing supple-
9 mental educational services under this subsection, no
10 State educational agency or local educational agency
11 may, directly or through contractual, licensing, or
12 other arrangements with a provider of supplemental
13 educational services, engage in any form of discrimi-
14 nation prohibited by—

15 “(A) title VI of the Civil Rights Act of
16 1964;

17 “(B) title IX of the Education Amend-
18 ments of 1972;

19 “(C) section 504 of the Rehabilitation Act
20 of 1973;

21 “(D) titles II and III of the Americans
22 with Disabilities Act;

23 “(E) the Age Discrimination Act of 1975;

1 “(F) regulations promulgated under the
2 authority of the laws listed in subparagraphs
3 (A) through (E); or

4 “(G) other Federal civil rights laws.”.

5 **SEC. 203. QUALIFICATIONS FOR TEACHERS AND PARA-**
6 **PROFESSIONALS.**

7 (a) HIGH OBJECTIVE UNIFORM STATE STANDARD
8 OF EVALUATION.—Section 1119 of the Elementary and
9 Secondary Education Act of 1965 (20 U.S.C. 6319) is
10 amended—

11 (1) in subsection (a)(2)—

12 (A) by redesignating subparagraphs (A)
13 through (C) as clauses (i) through (iii), respec-
14 tively, and indenting as appropriate;

15 (B) by striking “(2) STATE PLAN.—As
16 part” and inserting the following:

17 “(2) STATE PLAN.—

18 “(A) IN GENERAL.—As part”; and

19 (C) by adding at the end the following:

20 “(B) AVAILABILITY OF STATE STAND-
21 ARDS.—Each State educational agency shall
22 make available to teachers in the State the high
23 objective uniform State standard of evaluation,
24 as described in section 9101(23)(C)(ii), for the

1 purpose of meeting the teacher qualification re-
2 quirements established under this section.”;

3 (2) by redesignating subsections (e), (f), (g),
4 (h), (i), (j), (k), and (l) as subsections (f), (g), (h),
5 (i), (j), (k), (l), and (m), respectively;

6 (3) by inserting after subsection (d) the fol-
7 lowing:

8 “(e) STATE RESPONSIBILITIES.—Each State edu-
9 cational agency shall ensure that local educational agen-
10 cies in the State make available all options described in
11 subparagraphs (A) through (C) of subsection (e)(1) to
12 each new or existing paraprofessional for the purpose of
13 demonstrating the qualifications of the paraprofessional,
14 consistent with the requirements of this section.”; and

15 (4) in subsection (l) (as redesignated by para-
16 graph (2)), by striking “subsection (l)” and insert-
17 ing “subsection (m)”.

18 (b) DEFINITION OF HIGHLY QUALIFIED TEACH-
19 ERS.—Section 9101(23)(B)(ii) is amended—

20 (1) in subclause (I), by striking “or” after the
21 semicolon;

22 (2) in subclause (II), by striking “and” after
23 the semicolon; and

24 (3) by adding at the end the following:

1 “(III) in the case of a middle
2 school teacher, passing a State-ap-
3 proved middle school generalist exam
4 when the teacher receives a license to
5 teach middle school in the State;

6 “(IV) obtaining a State middle
7 school or secondary school social stud-
8 ies certificate that qualifies the teach-
9 er to teach history, geography, eco-
10 nomics, civics, and government in
11 middle schools or in secondary
12 schools, respectively, in the State; or

13 “(V) obtaining a State middle
14 school or secondary school science cer-
15 tificate that qualifies the teacher to
16 teach earth science, biology, chem-
17 istry, and physics in middle schools or
18 secondary schools, respectively, in the
19 State; and”.

20 (c) ENSURING HIGHLY QUALIFIED TEACHERS.—

21 (1) REQUIREMENT.—The Secretary of Edu-
22 cation shall improve coordination among the teacher
23 quality programs authorized under the Elementary
24 and Secondary Education Act of 1965 (20 U.S.C.
25 6301 et seq.), the Individuals with Disabilities Edu-

1 cation Act (20 U.S.C. 1400 et seq.), the Higher
2 Education Act of 1965 (20 U.S.C. 1001 et seq.),
3 and the Carl D. Perkins Vocational and Technical
4 Education Act of 1998 (20 U.S.C. 2301 et seq.), to
5 provide a unified effort in strengthening the Amer-
6 ican teaching workforce and ensuring highly quali-
7 fied teachers.

8 (2) REPORT.—Not later than 6 months after
9 the date of enactment of this Act, the Secretary of
10 Education shall submit a report to the relevant com-
11 mittees of Congress, that shall be made available on
12 the website of the Department of Education, on ef-
13 forts to coordinate programs pursuant to paragraph
14 (1).

15 **Subtitle B—Adequate Yearly** 16 **Progress Determinations**

17 **SEC. 221. REVIEW OF ADEQUATE YEARLY PROGRESS DE-**
18 **TERMINATIONS FOR SCHOOLS FOR THE 2002-**
19 **2003 SCHOOL YEAR.**

20 (a) IN GENERAL.—The Secretary shall require each
21 local educational agency to provide each school served by
22 the agency with an opportunity to request a review of a
23 determination by the agency that the school did not make
24 adequate yearly progress for the 2002–2003 school year.

1 (b) FINAL DETERMINATION.—Not later than 30 days
2 after receipt of a request by a school for a review under
3 this section, a local educational agency shall issue and
4 make publicly available a final determination on whether
5 the school made adequate yearly progress for the 2002–
6 2003 school year.

7 (c) EVIDENCE.—In conducting a review under this
8 section, a local educational agency shall—

9 (1) allow the principal of the school involved to
10 submit evidence on whether the school made ade-
11 quate yearly progress for the 2002–2003 school
12 year; and

13 (2) consider that evidence before making a final
14 determination under subsection (b).

15 (d) STANDARD OF REVIEW.—In conducting a review
16 under this section, a local educational agency shall revise,
17 consistent with the applicable State plan under section
18 1111 of the Elementary and Secondary Education Act of
19 1965 (20 U.S.C. 6311), the local educational agency’s
20 original determination that a school did not make ade-
21 quate yearly progress for the 2002–2003 school year if
22 the agency finds that the school made such progress, tak-
23 ing into consideration—

24 (1) the amendments made to part 200 of title
25 34, Code of Federal Regulations (68 Fed. Reg.

1 68698) (relating to accountability for the academic
2 achievement of students with the most significant
3 cognitive disabilities); or

4 (2) any regulation or guidance that, subsequent
5 to the date of such original determination, was
6 issued by the Secretary relating to—

7 (A) the assessment of limited English pro-
8 ficient children;

9 (B) the inclusion of limited English pro-
10 ficient children as part of the subgroup de-
11 scribed in section 1111(b)(2)(C)(v)(II)(dd) of
12 the Elementary and Secondary Education Act
13 of 1965 (20 U.S.C. 6311(b)(2)(C)(v)(II)(dd))
14 after such children have obtained English pro-
15 ficiency; or

16 (C) any requirement under section
17 1111(b)(2)(I)(ii) of the Elementary and Sec-
18 ondary Education Act of 1965 (20 U.S.C.
19 6311(b)(2)(I)(ii)).

20 (e) EFFECT OF REVISED DETERMINATION.—

21 (1) IN GENERAL.—If pursuant to a review
22 under this section a local educational agency deter-
23 mines that a school made adequate yearly progress
24 for the 2002–2003 school year, upon such deter-
25 mination—

1 (A) any action by the Secretary, the State
2 educational agency, or the local educational
3 agency that was taken because of a prior deter-
4 mination that the school did not make such
5 progress shall be terminated; and

6 (B) any obligations or actions required of
7 the local educational agency or the school be-
8 cause of the prior determination shall cease to
9 be required.

10 (2) EXCEPTIONS.—Notwithstanding paragraph
11 (1), a determination under this section shall not af-
12 fect any obligation or action required of a local edu-
13 cational agency or school under the following:

14 (A) Section 1116(b)(13) of the Elementary
15 and Secondary Education Act of 1965 (20
16 U.S.C. 6316(b)(13)) (requiring a local edu-
17 cational agency to continue to permit a child
18 who transferred to another school under such
19 section to remain in that school until comple-
20 tion of the highest grade in the school).

21 (B) Section 1116(e)(9) of the Elementary
22 and Secondary Education Act of 1965 (as re-
23 designated by section 402(3)) (20 U.S.C.
24 6316(e)(9)) (requiring a local educational agen-
25 cy to continue to provide supplemental edu-

1 cational services under such section until the
2 end of the school year).

3 (3) SUBSEQUENT DETERMINATIONS.—In deter-
4 mining whether a school is subject to school im-
5 provement, corrective action, or restructuring as a
6 result of not making adequate yearly progress, the
7 Secretary, a State educational agency, or a local
8 educational agency may not take into account a de-
9 termination that the school did not make adequate
10 yearly progress for the 2002–2003 school year if
11 such determination was revised under this section
12 and the school received a final determination of hav-
13 ing made adequate yearly progress for the 2002–
14 2003 school year.

15 (f) NOTIFICATION.—The Secretary—

16 (1) shall require each State educational agency
17 to notify each school served by the agency of the
18 school’s ability to request a review under this sec-
19 tion; and

20 (2) not later than 30 days after the date of the
21 enactment of this section, shall notify the public by
22 means of the Department of Education’s website of
23 the review process established under this section.

1 **SEC. 222. REVIEW OF ADEQUATE YEARLY PROGRESS DE-**
2 **TERMINATIONS FOR LOCAL EDUCATIONAL**
3 **AGENCIES FOR THE 2002–2003 SCHOOL YEAR.**

4 (a) IN GENERAL.—The Secretary shall require each
5 State educational agency to provide each local educational
6 agency in the State with an opportunity to request a re-
7 view of a determination by the State educational agency
8 that the local educational agency did not make adequate
9 yearly progress for the 2002–2003 school year.

10 (b) APPLICATION OF CERTAIN PROVISIONS.—Except
11 as inconsistent with, or inapplicable to, this section, the
12 provisions of section 421 shall apply to review by a State
13 educational agency of a determination described in sub-
14 section (a) in the same manner and to the same extent
15 as such provisions apply to review by a local educational
16 agency of a determination described in section 421(a).

17 **SEC. 223. DEFINITIONS.**

18 In this subtitle:

19 (1) The term “adequate yearly progress” has
20 the meaning given to that term in section
21 1111(b)(2)(C) of the Elementary and Secondary
22 Education Act of 1965 (20 U.S.C. 6311(b)(2)(C)).

23 (2) The term “local educational agency” means
24 a local educational agency (as that term is defined
25 in section 9101 of the Elementary and Secondary
26 Education Act of 1965 (20 U.S.C. 7801)) receiving

1 funds under part A of title I of such Act (20 U.S.C.
2 6311 et seq.).

3 (3) The term “Secretary” means the Secretary
4 of Education.

5 (4) The term “school” means an elementary
6 school or a secondary school (as those terms are de-
7 fined in section 9101 of the Elementary and Sec-
8 ondary Education Act of 1965 (20 U.S.C. 7801))
9 served under part A of title I of such Act (20 U.S.C.
10 6311 et seq.).

11 (5) The term “State educational agency” means
12 a State educational agency (as that term is defined
13 in section 9101 of the Elementary and Secondary
14 Education Act of 1965 (20 U.S.C. 7801)) receiving
15 funds under part A of title I of such Act (20 U.S.C.
16 6311 et seq.).

17 **Subtitle C—Technical Assistance**

18 **SEC. 251. TECHNICAL ASSISTANCE.**

19 (a) IN GENERAL.—Part F of title IX of the Elemen-
20 tary and Secondary Education Act of 1965 (20 U.S.C.
21 7941) is amended—

22 (1) in the part heading, by inserting “**AND**
23 **TECHNICAL ASSISTANCE**” after “**EVAL-**
24 **UATIONS**”; and

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

1 **“SEC. 9602. TECHNICAL ASSISTANCE.**

2 “The Secretary shall ensure that the technical assist-
 3 ance provided by, and the research developed and dissemi-
 4 nated through, the Institute of Education Sciences and
 5 other offices or agencies of the Department provide edu-
 6 cators and parents with the needed information and sup-
 7 port for identifying and using educational strategies, pro-
 8 grams, and practices, including strategies, programs, and
 9 practices available through the clearinghouses supported
 10 under the Education Sciences Reform Act of 2002 (20
 11 U.S.C. 9501 et seq.) and other federally supported clear-
 12 inghouses, that have been successful in improving edu-
 13 cational opportunities and achievement for all students.”.

14 (b) TABLE OF CONTENTS.—The table of contents of
 15 the Elementary and Secondary Education Act of 1965 (20
 16 U.S.C. 6301 note) is amended by inserting after the item
 17 relating to section 9601 the following:

“Sec. 9602 Technical assistance.”.

18 **TITLE III—PROVIDING A ROAD-**
 19 **MAP FOR FIRST GENERATION**
 20 **COLLEGE FOR STUDENTS**

21 **SEC. 301. EXPANSION OF TRIO AND GEARUP.**

22 The Higher Education Act of 1965 (20 U.S.C. 1001
 23 et seq.) is amended—

1 (1) in section 402A(f), by striking
2 “\$700,000,000 for fiscal year 1999” and inserting
3 “\$1,000,000,000 for fiscal year 2006”; and

4 (2) by striking section 404H and inserting the
5 following:

6 **“SEC. 404H. AUTHORIZATION OF APPROPRIATIONS.**

7 “There are authorized to be appropriated to carry out
8 this chapter \$400,000,000 for fiscal year 2006 and such
9 sums as may be necessary for each of the 4 succeeding
10 fiscal years.”.

11 **TITLE IV—COLLEGE TUITION**
12 **RELIEF FOR STUDENTS AND**
13 **THEIR FAMILIES THROUGH**
14 **PELL GRANTS**

15 **SEC. 401. PELL GRANTS TAX TABLES HOLD HARMLESS.**

16 Notwithstanding any other provision of law, the an-
17 nual updates to the allowance for State and other taxes
18 in the tables used in the Federal Need Analysis Method-
19 ology to determine a student’s expected family contribu-
20 tion for the award year 2005–2006 under part F of title
21 IV of the Higher Education Act of 1965 (20 U.S.C.
22 1087kk et seq.), published in the Federal Register on
23 Thursday, December 23, 2004 (69 Fed. Reg. 76926),
24 shall not apply to a student to the extent the updates will

1 reduce the amount of Federal student assistance for which
2 the student is eligible.

3 **SEC. 402. SENSE OF THE SENATE REGARDING INCREASING**
4 **THE MAXIMUM PELL GRANT.**

5 (a) FINDINGS.—The Senate makes the following
6 findings:

7 (1) Increasing the percentage of individuals who
8 obtain a postsecondary education has become in-
9 creasingly important, not just to the individual bene-
10 ficiary, but to the Nation as a whole. The growth
11 and continued expansion of the Nation's economy is
12 heavily dependent on an educated and highly skilled
13 workforce.

14 (2) The opportunity to gain a postsecondary
15 education also is important to the Nation as a
16 means to help advance the American ideals of
17 progress and equality.

18 (3) The Federal Government plays an invalu-
19 able role in making student financial aid available to
20 ensure that qualified students are able to attend col-
21 lege, regardless of their financial means. Since the
22 inception of the Pell Grant program in 1973, nearly
23 80,000,000 grants have helped low- and middle-in-
24 come students go to college, enrich their lives, and
25 become productive members of society.

1 (4) Nationwide, almost 63 percent of secondary
2 school graduates continue on to higher education im-
3 mediately after completing secondary school. This
4 degree of college participation would not exist with-
5 out the Federal investment in student aid, especially
6 the Pell Grant program. More than 4,000,000 low-
7 and middle-income students receive Pell Grants; 95
8 percent of whom have a family income of not more
9 than \$40,000.

10 (5) In the next 10 years, the number of under-
11 graduate students enrolled in the Nation's colleges
12 and universities will increase by 15 percent to more
13 than 15,000,000 students. Many of these students
14 will be the first in their families to attend college.
15 The continued investment in the Pell Grant program
16 is essential if college is to remain an achievable part
17 of the American dream.

18 (6) Increasing the maximum Pell Grant to
19 \$5,100 would allow more than 430,000 additional
20 students to benefit from the program.

21 (7) Increasing the maximum Pell Grant to
22 \$5,100 would result in 200,000 new Pell Grant re-
23 cipients.

24 (8) Pell Grant recipients are more likely to
25 graduate with student loan debt and to amass more

1 debt than other student borrowers. Increasing the
2 maximum Pell Grant to \$5,100 will help remedy this
3 disparity.

4 (b) SENSE OF THE SENATE.—It is the sense of the
5 Senate that—

6 (1) the maximum Pell Grant should be in-
7 creased to \$5,100 during award year 2006–2007;
8 and

9 (2) the maximum Pell Grant amount set by
10 Congress should be the amount eligible students re-
11 ceive.

12 **SEC. 403. ESTABLISHMENT OF A PELL DEMONSTRATION**
13 **PROGRAM.**

14 (a) FINDINGS.—Congress finds that:

15 (1) A student remains eligible to receive a Fed-
16 eral Pell Grant as long as the student is income-eli-
17 gible and has not received a bachelor’s degree.

18 (2) By encouraging persistence and degree ac-
19 quisition in a timely manner, the Federal Govern-
20 ment, in effect, saves money—

21 (A) by reducing the courses that do not
22 lead to a degree; and

23 (B) by helping students get the financial
24 benefits of a college degree as soon as possible.

25 (b) PELL DEMONSTRATION PROGRAM.—

1 (1) AUTHORIZATION.—The Secretary of Edu-
2 cation shall establish a demonstration program to fa-
3 cilitate the ability of low-income students to com-
4 plete the students' degree within 150 percent of the
5 time expected to complete such degree.

6 (2) GRANTS.—The Secretary of Education shall
7 award competitive grants to institutions of higher
8 education to enable students who are eligible to re-
9 ceive Federal Pell Grants under subpart 1 of part A
10 of title IV of the Higher Education Act of 1965 (20
11 U.S.C. 1070a) to enroll in courses in the summer at
12 such institutions to expedite the students' gradua-
13 tion from the institutions.

14 (3) AUTHORIZATION OF APPROPRIATIONS.—
15 There is authorized to be appropriated to carry out
16 this subsection \$500,000,000 for the period of fiscal
17 years 2006 through 2008.

18 **TITLE V—TUITION FREE COL-**
19 **LEGE FOR MATHEMATICS,**
20 **SCIENCE, AND SPECIAL EDU-**
21 **CATION TEACHERS**

22 **SEC. 501. PURPOSE.**

23 It is the purpose of this title to make public college
24 tuition free for future mathematics, science, and special
25 education teachers and to provide additional assistance to

1 students eligible to receive a Federal Pell Grant under
2 subpart 1 of part A of title IV of the Higher Education
3 Act of 1965 (20 U.S.C. 1070a).

4 **SEC. 502. TUITION FREE COLLEGE FOR MATHEMATICS,**
5 **SCIENCE, AND SPECIAL EDUCATION TEACH-**
6 **ERS.**

7 (a) ADDITIONAL AMOUNTS FOR TEACHERS IN MATH-
8 EMATICS, SCIENCE, AND SPECIAL EDUCATION.—

9 (1) FFEL LOANS.—Section 428J(c)(3) of the
10 Higher Education Act of 1965 (20 U.S.C. 1078–
11 10(c)(3)) is amended by striking “\$17,500” and in-
12 serting “\$23,000”.

13 (2) DIRECT LOANS.—Section 460(c)(3) of the
14 Higher Education Act of 1965 (20 U.S.C.
15 1087j(c)(3)) is amended by striking “\$17,500” and
16 inserting “\$23,000”.

17 (b) EFFECTIVE DATE.—The amendments made by
18 this section shall apply only with respect to eligible individ-
19 uals who are new borrowers on or after October 1, 1998.

20 **SEC. 503. OFFSET FOR TUITION FREE COLLEGE FOR MATH-**
21 **EMATICS, SCIENCE, AND SPECIAL EDU-**
22 **CATION TEACHERS.**

23 (a) SPECIAL ALLOWANCES.—

1 (1) IN GENERAL.—Section 438(b)(2)(B) of the
2 Higher Education Act of 1965 (20 U.S.C. 1087–
3 1(b)(2)(B)) is amended—

4 (A) in clause (iv), by striking “or refunded
5 after September 30, 2004, and before January
6 1, 2006,” and inserting “or refunded on or
7 after the date of enactment of the Taxpayer-
8 Teacher Protection Act of 2004,”; and

9 (B) by striking clause (v) and inserting the
10 following:

11 “(v) Notwithstanding clauses (i) and
12 (ii), the quarterly rate of the special allow-
13 ance shall be the rate determined under
14 subparagraph (A), (E), (F), (G), (H), or
15 (I) of this paragraph, or paragraph (4), as
16 the case may be, for loans—

17 “(I) originated, transferred, or
18 purchased on or after the date of en-
19 actment of the Taxpayer-Teacher Pro-
20 tection Act of 2004;

21 “(II) financed by an obligation
22 that has matured, been retired, or
23 defeased on or after the date of enact-
24 ment of the Taxpayer-Teacher Protec-
25 tion Act of 2004;

1 “(III) which the special allowance
2 was determined under such subpara-
3 graphs or paragraph, as the case may
4 be, on or after the date of enactment
5 of the Taxpayer-Teacher Protection
6 Act of 2004;

7 “(IV) for which the maturity
8 date of the obligation from which
9 funds were obtained for such loans
10 was extended on or after the date of
11 enactment of the Taxpayer-Teacher
12 Protection Act of 2004; or

13 “(V) sold or transferred to any
14 other holder on or after the date of
15 enactment of the Taxpayer-Teacher
16 Protection Act of 2004.”.

17 (2) RULE OF CONSTRUCTION.—Nothing in the
18 amendment made by paragraph (1) shall be con-
19 strued to abrogate a contractual agreement between
20 the Federal Government and a student loan pro-
21 vider.

22 (b) AVAILABLE FUNDS FROM REDUCED EXPENDI-
23 TURES.—

24 (1) IN GENERAL.—Any funds available to the
25 Secretary of Education as a result of reduced ex-

1 penditures under section 438 of the Higher Edu-
2 cation Act of 1965 (20 U.S.C. 1087–1) secured by
3 the enactment of subsection (a) shall first be used
4 by the Secretary for loan cancellation and loan for-
5 giveness for teachers under sections 428J and 460
6 of the Higher Education Act of 1965 (20 U.S.C.
7 1078–10, 1087j), as amended by section 502 of this
8 Act.

9 (2) REMAINING FUNDS.—

10 (A) IN GENERAL.—Any such funds re-
11 maining after carrying out paragraph (1) shall
12 be used by the Secretary of Education to make
13 payments to each nonprofit lender in an
14 amount that bears the same relation to the re-
15 maining funds as the amount the nonprofit
16 lender receives for fiscal year 2005 under sec-
17 tion 438(b)(2)(B) of the Higher Education Act
18 of 1965 (20 U.S.C. 1087–1(b)(2)(B)) bears to
19 the total amount received by nonprofit lenders
20 for fiscal year 2005 under such section.

21 (B) DEFINITION OF NONPROFIT LEND-
22 ER.—In this paragraph the term “nonprofit
23 lender” means an eligible lender (as defined in
24 section 435(d) of the Higher Education Act of
25 1965 (20 U.S.C.1085(d)) that—

1 (i) is an organization described in sec-
2 tion 501(c)(3) of the Internal Revenue
3 Code of 1986;

4 (ii) is a nonprofit entity as defined by
5 applicable State law; and

6 (iii) meets the following requirements:

7 (I) The nonprofit lender does not
8 confer a salary or benefits to any em-
9 ployee of the nonprofit lender in an
10 amount that is in excess of the salary
11 and benefits provided to the Secretary
12 of Education by the Department of
13 Education.

14 (II) The nonprofit lender does
15 not maintain an ongoing relationship
16 whereby the nonprofit lender passes
17 on revenue directly or indirectly
18 through lease, securitization, resale,
19 or any other financial instrument to a
20 for-profit entity or to shareholders.

21 (III) The nonprofit lender does
22 not offer benefits to a borrower in a
23 manner directly or indirectly predi-
24 cated on such borrower's participa-
25 tion—

1 (aa) in a program under
2 part B or D of title IV of the
3 Higher Education Act of 1965
4 (20 U.S.C. 1071 et seq., 1087a
5 et seq.); or

6 (bb) with any particular
7 lender.

8 (IV) The nonprofit lender cer-
9 tifies that the nonprofit lender uses
10 the payment received pursuant to sub-
11 paragraph (A) to confer grant or
12 scholarship benefits to students who
13 are eligible to receive Federal Pell
14 Grants under subpart 1 of part A of
15 title IV of the Higher Education Act
16 of 1965 (20 U.S.C. 1070a).

17 (V) The nonprofit lender is sub-
18 ject to public oversight through either
19 a State charter, or through not less
20 than 50 percent of the nonprofit lend-
21 er's board of directors consisting of
22 State appointed representatives.

23 (VI) The nonprofit lender does
24 not engage in the marketing of the
25 relative value of programs under part

1 B of title IV of the Higher Education
 2 Act of 1965 as compared to programs
 3 under part D of title IV of the Higher
 4 Education Act of 1965, nor does the
 5 nonprofit lender engage in the mar-
 6 keting of loans or programs offered by
 7 for-profit lenders. This subclause shall
 8 not be construed to prohibit the non-
 9 profit lender from conferring basic in-
 10 formation on lenders under part B of
 11 title IV of the Higher Education Act
 12 of 1965 and the related benefits of-
 13 fered by such nonprofit lenders.

14 **TITLE VI—HOPE AND LIFETIME**
 15 **LEARNING CREDITS TO BE**
 16 **REFUNDABLE**

17 **SEC. 601. HOPE AND LIFETIME LEARNING CREDITS TO BE**
 18 **REFUNDABLE.**

19 (a) CREDIT TO BE REFUNDABLE.—Section 25A of
 20 the Internal Revenue Code of 1986 (relating to Hope and
 21 Lifetime Learning credits) is hereby moved to subpart C
 22 of part IV of subchapter A of chapter 1 of such Code (re-
 23 lating to refundable credits) and inserted after section 35.

24 (b) TECHNICAL AMENDMENTS.—

1 (1) Section 36 of such Code is redesignated as
2 section 37.

3 (2) Section 25A of such Code (as moved by
4 subsection (a)) is redesignated as section 36.

5 (3) Paragraph (1) of section 36(a) of such Code
6 (as redesignated by paragraph (2)) is amended by
7 striking “this chapter” and inserting “this subtitle”.

8 (4) Subparagraph (B) of section 72(t)(7) of
9 such Code is amended by striking “section
10 25A(g)(2)” and inserting “section 36(g)(2)”.

11 (5) Subparagraph (A) of section 135(d)(2) of
12 such Code is amended by striking “section 25A” and
13 inserting “section 36”.

14 (6) Section 221(d) of such Code is amended—

15 (A) by striking “section 25A(g)(2)” in
16 paragraph (2)(B) and inserting “section
17 36(g)(2)”,

18 (B) by striking “section 25A(f)(2)” in the
19 matter following paragraph (2)(B) and insert-
20 ing “section 36(f)(2)”, and

21 (C) by striking “section 25A(b)(3)” in
22 paragraph (3) and inserting “section 36(b)(3)”.

23 (7) Section 222 of such Code is amended—

1 (A) by striking “section 25A” in subpara-
2 graph (A) of subsection (c)(2) and inserting
3 “section 36”,

4 (B) by striking “section 25A(f)” in sub-
5 section (d)(1) and inserting “section 36(f)”,
6 and

7 (C) by striking “section 25A(g)(2)” in sub-
8 section (d)(1) and inserting “section 36(g)(2)”.

9 (8) Section 529 of such Code is amended—

10 (A) by striking “section 25A(g)(2)” in sub-
11 clause (I) of subsection (c)(3)(B)(v) and insert-
12 ing “section 36(g)(2)”,

13 (B) by striking “section 25A” in subclause
14 (II) of subsection (c)(3)(B)(v) and inserting
15 “section 36”, and

16 (C) by striking “section 25A(b)(3)” in
17 clause (i) of subsection (e)(3)(B) and inserting
18 “section 36(b)(3)”.

19 (9) Section 530 of such Code is amended—

20 (A) by striking “section 25A(g)(2)” in sub-
21 clause (I) of subsection (d)(2)(C)(i) and insert-
22 ing “section 36(g)(2)”,

23 (B) by striking “section 25A” in subclause
24 (II) of subsection (d)(2)(C)(i) and inserting
25 “section 36”, and

1 (C) by striking “section 25A(g)(2)” in
2 clause (iii) of subsection (d)(4)(B) and inserting
3 “section 36(g)(2)”.

4 (10) Subsection (e) of section 6050S of such
5 Code is amended by striking “section 25A” and in-
6 serting “section 36”.

7 (11) Subparagraph (J) of section 6213(g)(2) of
8 such Code is amended by striking “section
9 25A(g)(1)” and inserting “section 36(g)(1)”.

10 (12) Paragraph (2) of section 1324(b) of title
11 31, United States Code, is amended by inserting be-
12 fore the period “or from section 36 of such Code”.

13 (13) The table of sections for subpart C of part
14 IV of subchapter A of chapter 1 of the Internal Rev-
15 enue Code of 1986 is amended by striking the item
16 relating to section 36 and inserting the following:

“Sec. 36 Hope and Lifetime Learning credits.
“Sec. 37 Overpayments of tax.”.

17 (14) The table of sections for subpart A of such
18 part IV is amended by striking the item relating to
19 section 25A.

20 (c) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to taxable years beginning after
22 December 31, 2004.

Calendar No. 82

109TH CONGRESS
1ST Session

S. 848

A BILL

To improve education, and for other purposes.

APRIL 20, 2005

Read the second time and placed on the calendar