To amend the Higher Education Act of 1965 to establish grants for tuition-free community colleges, student success grants, and grants for Historically Black Colleges and Universities, Tribal Colleges and Universities, and Minority-Serving Institutions, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Ms. LEGER FERNANDEZ introduced the following bill; which was referred to the Committee on _______________________

A BILL

To amend the Higher Education Act of 1965 to establish grants for tuition-free community colleges, student success grants, and grants for Historically Black Colleges and Universities, Tribal Colleges and Universities, and Minority-Serving Institutions, and for other purposes.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “America’s College Promise Act of 2023”.
TITLE I—GRANTS FOR TUITION-FREE COMMUNITY COLLEGES

SEC. 101. PROGRAM AUTHORIZED.

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

“PART J—AMERICA’S COLLEGE PROMISE

FEDERAL-STATE PARTNERSHIP

“Subpart 1—Grants for Tuition-free Community College

“SEC. 499A. IN GENERAL.

“From amounts appropriated under section 499G for any fiscal year, the Secretary shall award grants to eligible States and eligible Tribal Colleges and Universities to pay the Federal share of expenditures needed to carry out the activities and services described in section 499E.

“SEC. 499B. FEDERAL SHARE; NON-FEDERAL SHARE.

“(a) FEDERAL SHARE.—

“(1) IN GENERAL.—

“(A) AMOUNT.—Subject to paragraph (2), the amount of the Federal share of a grant under this subpart shall be based on a formula, determined by the Secretary, that provides, for each eligible student enrolled in a community college operated or controlled by the State or in
an eligible Tribal College or University, a per-
student amount that is equal to the applicable
percent described in subparagraph (B) of—

“(i) for the 2024–2025 award year,
the average unweighted resident commu-
nity college tuition and fees per student in
all States for the most recent year for
which data are available; and

“(ii) for each subsequent award year,
the amount determined under this para-
graph for the preceding award year, in-
creased by the lesser of—

“(I) a percentage equal to the es-
timated percentage increase in the
Consumer Price Index (as determined
by the Secretary) since the date of
such determination; or

“(II) 3 percent.

“(B) APPLICABLE PERCENT.—The appli-
cable percent for a State receiving a grant
under this subpart shall be—

“(i) for the 2024–2025 award year,
100 percent;

“(ii) for the 2025–2026 award year,
95 percent;
“(iii) for the 2026–2027 award year, 90 percent;
“(iv) for the 2027–2028 award year, 85 percent; and
“(v) for the 2028–2029 award year and each subsequent award year, 80 percent.

“(2) TRIBAL COLLEGES AND UNIVERSITIES.—

The amount of the Federal share for an eligible Tribal College or University receiving a grant under this subpart shall be the greater of—

“(A) 100 percent of the per-student amount determined in accordance with clause (i) or (ii) of paragraph (1)(A), as applicable, with respect to eligible students enrolled in such eligible Tribal College or University (based on full-time equivalent enrollment); or

“(B) the amount that is 100 percent of the total amount needed to set tuition and fees to $0 for all eligible students enrolled in such eligible Tribal College or University for the 2023–2024 award year, increased by the percentage increase in the Consumer Price Index (as determined by the Secretary) between July 1, 2023, and the applicable award year, and adjusted to
reflect the enrollment in such eligible Tribal
College or University for such applicable award
year.

“(b) STATE SHARE.—

“(1) FORMULA.—

“(A) IN GENERAL.—Subject to subparagraph (B), the State share of a grant under
this subpart for each fiscal year shall be the
amount needed to pay the applicable percent
described in subparagraph (B) of the average
unweighted resident community college tuition
and fees per student in the 2024–2025 award
year for all eligible students in the State for
such award year.

“(B) APPLICABLE PERCENT.—The applic-
cable percentage shall be—

“(i) for the 2024–2025 award year, 0
percent;

“(ii) for the 2025–2026 award year, 5
percent;

“(iii) for the 2026–2027 award year,
10 percent;

“(iv) for the 2027–2028 award year,
15 percent; and
“(v) for the 2028–2029 award year and each subsequent award year, 20 percent.

“(C) Obligation to Provide Share.—The State shall provide the State share even if the State is able to set tuition and fees charged to eligible students attending community colleges operated or controlled by the State to $0 as required by section 499D without such State share.

“(D) No Double Counting Funds.—No funds that count toward the maintenance of effort requirement under section 499D(c) may also count toward the State share under this subsection.

“(E) Special Rule for Outlying Areas and Territories.—

“(i) In General.—If the Secretary determines that requiring an outlying area or territory to provide a State share in accordance with this subsection would represent a substantial hardship for the outlying area or territory, the Secretary shall reduce or waive the State share for such area or territory. If the Secretary so re-
duces or waives the amount of the State share of an outlying area or territory, the Secretary shall increase the applicable percent used to calculate the Federal share for such area or territory, in proportion to the reduction in the applicable percent used to calculate such State share.

“(ii) DEFINITION.—For the purposes of this subparagraph, the term ‘outlying area or territory’ means the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, and the Freely Associated States.

“(2) INCLUSION OF STATE FINANCIAL AID AND LOCAL FUNDS.—In the case of a State that demonstrates to the satisfaction of the Secretary that community colleges operated or controlled by such State will not experience a net reduction in total per-student revenue (including revenue derived from tuition and fees) as compared to the preceding State fiscal year in such State, a State may include, as part of the State share—
“(A) any financial aid that is provided from State funds to eligible students for such students’ cost of attendance that is not awarded predominantly on the basis of merit; and

“(B) any funds provided to community colleges by local governments in such State for the purpose of carrying out this subpart, including for the purpose of setting community college tuition and fees for eligible students to $0 as required under section 499D.

“(3) RELATIONSHIP TO MAINTENANCE OF EFFORT.—The inclusion of funds described in paragraph (2) as part of a State’s share shall modify the maintenance of effort requirements under section 499D(c) in accordance with the provisions of—

“(A) section 499H(12)(B)(iii) with respect to funds included under paragraph (2)(A); and

“(B) section 499H(12)(B)(ii), with respect to funds included under paragraph (2)(B).

“(4) NO IN-KIND CONTRIBUTIONS.—A State shall not include in-kind contributions for purposes of the State share described in paragraph (1).

“(e) DETERMINING NUMBER OF ELIGIBLE STUDENTS.—
“(1) IN GENERAL.—For purposes of subsection (a) and subsection (b), the Secretary shall develop and implement a formula for accurately estimating the number of eligible students and for making adjustments based on the number of eligible students enrolled in the community colleges operated or controlled by a State or in an eligible Tribal College or University on less than a full-time basis and the associated tuition and fees charged to such students in proportion to the degree to which each such student is not attending on a full-time basis.

“(2) INITIAL DETERMINATION.—For the first year for which grants are awarded under this subpart, the number of eligible students in a State or eligible Tribal College or University shall be considered to be equal to the number of eligible students who were in the State or eligible Tribal College or University for the preceding school year.

“(d) ADJUSTMENT OF GRANT AMOUNT.—Not later than 180 days after the date on which a State or eligible Tribal College or University receives a grant under this subpart, the Secretary shall—

“(1) in consultation with the State or eligible Tribal College or University concerned, determine whether the actual number of eligible students in the
State or eligible Tribal College or University for the
year covered by the grant is greater than the esti-
imated number of such students that was used to de-
terminate the amount of the grant; and

“(2) in the case of a determination under para-
graph (1) that the actual number of eligible students
in the State or eligible Tribal College or University
is higher than such estimate, issue a supplementary
grant payment to the State or eligible Tribal College
or University in an amount that ensures that the
total amount of the grant funds received by the
State or eligible Tribal College or University under
this subpart for the year covered by the grant accu-
rately reflects the higher number of eligible students.

“(e) COMMUNITY COLLEGES OPERATED OR CON-
trolled by State to Include Community Colleges
Operated or Controlled by Local Governments
Within the State.—For purposes of this subpart, the
term ‘community college operated or controlled by a State’
shall include a community college operated or controlled
by a local government within such State.

“(f) Inapplicability of State Requirements to
Eligible TCUs.—The Secretary may not apply any re-
quirements applicable only to States under this subpart
to an eligible Tribal College or University, including the
requirements under subsection (b) and subsection (b) and (c) of section 499D.

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SEC. 499C. APPLICATIONS.
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“(a) SUBMISSION.—In order to receive a grant under this subpart, a State or an eligible Tribal College or University shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

“(b) CONTENTS.—Each application under subsection (a) shall include—

“(1) an estimate of the number of eligible students enrolled in the community colleges operated or controlled by the State or in the eligible Tribal College or University and the cost of waiving community college tuition and fees for all eligible students for each award year covered by the grant;

“(2) in the case of a State, a list of each of the community colleges operated or controlled by the State;

“(3) an assurance that each community college operated or controlled by the State, or the eligible Tribal College or University, as applicable, will set community college tuition and fees for eligible students to $0 as required by section 499D(a);
“(4) a description of the promising and evidence-based institutional reforms and innovative practices to improve student outcomes, including transfer and completion rates, that have been or will be adopted by each such community college, such as—

“(A) providing comprehensive academic, career, and student support services (including mentoring, advising, case management services, and career pathway navigation), especially for low-income, first-generation, and adult students, and other students belonging to racial and other groups that are historically underrepresented in higher education;

“(B) providing direct support services, or assistance in applying for such services, such as—

“(i) childcare, transportation, and emergency financial assistance;

“(ii) assistance in obtaining health insurance coverage and accessing health care services, including behavioral and mental health services;

“(iii) affordable housing;
“(iv) nutrition assistance programs or free or discounted food; and

“(v) means-tested Federal benefit programs, or similar State, tribal, or local benefit programs;

“(C) providing accelerated learning opportunities, such as dual or concurrent enrollment programs, including early college high school programs, and reforming course scheduling and credit awarding policies to better meet the needs of students and shorten time to completion;

“(D) strengthening and reforming remedial and developmental education, especially for low-income, first-generation, and adult students, and other students belonging to racial and other groups that are historically underrepresented in higher education, including through the use of multiple measures (such as a student’s college entrance examination score, grade point average, high school course list, or a placement examination) to identify students in need of remedial education;

“(E) utilizing career pathways, including through building capacity for career and tech-
technical education, as defined in section 3(5) of
the Carl D. Perkins Career and Technical Edu-
cation Act of 2006 (20 U.S.C. 2302(5)), and
programs of study, as defined in section 3(41)
of such Act (20 U.S.C. 2302(41)), or degree
pathways; or
“(F) providing expanded opportunities for
participating in work-based learning, which may
include apprenticeship programs, in students’
programs of study;
“(5) a description of how the State or eligible
Tribal College or University will ensure that pro-
grams leading to a recognized postsecondary creden-
tial meet the quality criteria established by the State
under section 122(b)(1) of the Workforce Innovation
and Opportunity Act (29 U.S.C. 3152(b)(1)) or
other quality criteria determined appropriate by the
State or eligible Tribal College or University;
“(6) an assurance that each community college
operated or controlled by the State or the eligible
Tribal College or University, as applicable, has en-
tered into a program participation agreement under
section 487;
“(7) an assurance that the State or eligible
Tribal College or University will assist eligible stu-
students in obtaining information about and accessing means-tested Federal benefit programs and similar, State, tribal, and local benefit programs that can provide financial assistance for any component of the student’s cost of attendance, as defined under section 472, other than tuition and fees;

“(8) an assurance that, for each year of the grant, the State or eligible Tribal College or University will notify each eligible student of the student’s remaining eligibility for assistance under this subpart;

“(9) if the application is submitted by a State—

“(A) a description of how the State will support the scaling and increased adoption of the reforms and practices described in paragraph (4);

“(B) an assurance that the State will, to the extent practicable, consider changes to State law that will enable more community college students to be eligible for means-tested Federal benefit programs and similar State benefit programs;

“(C) an assurance that the State will meet the requirements of section 499D(b)(1) relating
to the alignment of secondary and postsec-
ondary education; and

“(D) an assurance that the State will meet
the requirements of section 499D(b)(2) relating
to the improvement of transfer pathways be-
tween institutions of higher education; and

“(10) an assurance that the State or eligible
Tribal College or University will clearly communicate
to prospective students, including students with
prior college experience who have not completed a
postsecondary degree or credential, their families,
and the general public—

“(A) plans to implement the program
funded under this subpart; and

“(B) how eligible students can attend a
community college operated or controlled by the
State or eligible Tribal College or University
without paying tuition and fees.

“SEC. 499D. PROGRAM REQUIREMENTS.

“(a) GENERAL REQUIREMENTS.—As a condition of
receiving a grant under this subpart, a State or eligible
Tribal College or University shall meet the following re-
quirements:

“(1) Ensure that the total amount of tuition
and fees charged to an eligible student in the State
or the eligible Tribal College or University shall be $0.

“(2) For each year of the grant no amount of financial assistance for which an eligible student qualifies may be applied to such tuition or fees.

“(3) The State or eligible Tribal College or University may not use any funds provided under this subpart for administrative purposes relating to such grant.

“(b) STATE REQUIREMENTS.—In addition to the requirements under subsection (a), as a condition of receiving a grant under this subpart, a State shall meet the following requirements:

“(1) ALIGNMENT OF K-12 AND HIGHER EDUCATION.—

“(A) IN GENERAL.—The State shall—

“(i) submit a plan to align the requirements for receiving a regular high school diploma from public schools in the State with the requirements for entering credit-bearing coursework at community colleges in such State; and

“(ii) not later than 3 years after the date on which the State first receives a grant under this subpart, certify to the
Secretary that such alignment has been achieved.

“(B) FAILURE TO CERTIFY.—If a State does not provide the certification required under subparagraph (A) by the date specified in such subparagraph, the State shall submit to the Secretary, at such time and in such manner as the Secretary may require—

“(i) a written explanation for the delay in making the certification; and

“(ii) a plan that will enable the State to make the certification by not later than 5 years after the date on which the State first received a grant under this subpart.

“(2) TRANSFER PATHWAYS.—

“(A) IN GENERAL.—The State shall—

“(i) submit a plan, developed in collaboration with faculty from institutions of higher education in the State, to improve transfer pathways between institutions of higher education in the State, including by—

“(I) ensuring that associate degrees awarded by community colleges
in the State are fully transferable to, and credited as, the first 2 years of related baccalaureate programs at public institutions of higher education in such State;

“(II) increasing the transferability of individual courses within the certificate or associate programs offered by community colleges in the State to related baccalaureate programs offered by institutions of higher education in such State to maximize the transferability of credits for students who transfer before completing an associate degree;

“(III) expanding the use of reverse transfer policies that allow institutions to—

“(aa) implement the process of retroactively granting a certificate or associate degree to students who had not completed the requirements for such certificate or degree before they transferred; and
“(bb) allow academic credits for coursework completed at a 4-year institution to be applied to a previously-attended community college for the purpose of obtaining an associate degree or a certificate; and

“(IV) ensuring that students attending community colleges in the State have access to comprehensive counseling regarding the process for transferring to a 4-year institution of higher education; and

“(ii) not later than 3 years after the date on which the State first receives a grant under this subpart, certify to the Secretary that the State is carrying out the plan submitted in accordance with clause (i) and is meeting the requirements of subclauses (I) through (IV) of such clause.

“(B) FAILURE TO CERTIFY.—If a State does not provide the certification required under subparagraph (A) by the date specified in such subparagraph, the State shall submit to
the Secretary, at such time and in such manner as the Secretary may require—

“(i) a written explanation for the delay in making the certification; and

“(ii) a plan that will enable the State to make the certification by not later than 5 years after the date on which the State first received a grant under this subpart.

“(3) APPLICABILITY.—The Secretary may not apply the requirements under this subsection to an eligible Tribal College or University.

“(c) STATE MAINTENANCE OF EFFORT.—A State receiving a grant under this subpart shall be entitled to receive its full allotment of funds under this subpart for a fiscal year only if, for each year of the grant, the State provides—

“(1) State fiscal support for higher education per full-time equivalent student at a level equal to or exceeding the average amount of State fiscal support for higher education per full-time equivalent student provided for the 3 consecutive preceding fiscal years;

“(2) financial support for operating expenses (excluding capital expenses and research and development costs) for public 4-year institutions of higher education at a level equal to or exceeding the aver-
age amount provided for the 3 consecutive preceding State fiscal years; and

“(3) financial support for need-based financial aid at a level equal to or exceeding the average amount provided for the 3 consecutive preceding State fiscal years.

“(d) NO ADDITIONAL ELIGIBILITY REQUIREMENTS.—A State or eligible Tribal College or University that receives a grant under this subpart may not impose additional eligibility requirements on eligible students other than the requirements under this subpart.

“(e) ELIGIBILITY FOR BENEFITS.—No individual shall be determined to be ineligible to receive benefits provided under this subpart (including tuition and fees set to $0 and other aid provided under this subpart) on the basis of citizenship, alienage, or immigration status.

“SEC. 499E. ALLOWABLE USES OF FUNDS.

“(a) IN GENERAL.—Except as provided in subsection (b), a State or eligible Tribal College or University shall use a grant under this subpart only to ensure that the total amount of tuition and fees charged to an eligible student in the State or the eligible Tribal College or University shall be $0.

“(b) ADDITIONAL USES.—If a State or an eligible Tribal College or University demonstrates to the Secretary
that the State or eligible Tribal College or University has
grant funds remaining after meeting the demand for ac-
tivities described in subsection (a), the State or eligible
Tribal College or University may use those funds to carry
out 1 or more of the following:

“(1) Providing need-based financial aid to stu-
dents that may be used by such students to pay any
component of cost of attendance, as defined under
section 472.

“(2) Improving student outcomes by imple-
menting evidence-based institutional reforms or
practices.

“(3) Enhancing the quality and equity of public
higher education to improve student outcomes, in-
cluding transfer and completion rates and labor
market outcomes.

“(4) Investing in and diversifying the academic
workforce.

“(5) Expanding the scope and capacity of high-
quality academic and occupational skills training
programs at community colleges, which may include
collaboration with one or more industry or sector
partnerships (as defined in section 3 of the Work-
force Innovation and Opportunity Act (29 U.S.C.
3201)).
“(6) Improving postsecondary education readi-
ness in the State, including through outreach and 
early intervention.

“(7) Expanding access to dual or concurrent 
enrollment programs, such as early college high 
school programs.

“(8) Reducing unmet need at public 4-year in-
stitutions of higher education.

“(c) USE OF FUNDS FOR ADMINISTRATIVE PUR-
poses.—A State or Tribal College or University that re-
ceives a grant under this subpart may not use any funds 
provided under this subpart for administrative purposes 
relating to such grant.

“(d) SUPPLEMENT, NOT SUPPLANT.—Funds made 
available under this subpart shall be used to supplement, 
and not supplant, other Federal, State, tribal, and local 
funds that would otherwise be expended to carry out ac-
tivities described in this section.

“(e) REPORT REQUIREMENTS.—

“(1) REPORTING BY STATES.—A State receiv-
ing a grant under this subpart shall submit to the 
Secretary an annual report that shall include—

“(A) the uses of grant funds under this 
subpart;
“(B) the progress made in fulfilling the requirements of the grant;

“(C) the rates of transfer, graduation, and attainment of recognized postsecondary credentials at participating community colleges, disaggregated by race, income, and age; and

“(D) any other information that the Secretary may require.

“(2) REPORTING BY SECRETARY.—The Secretary shall, on an annual basis—

“(A) compile and analyze the information described in paragraph (1); and

“(B) prepare and submit to the authorizing committees a report containing—

“(i) the analysis described in subparagraph (A); and

“(ii) an identification of State and best practices for achieving the purpose of this subpart.

“(f) TECHNICAL ASSISTANCE.—The Secretary shall provide technical assistance to States and eligible Tribal Colleges and Universities concerning best practices regarding the promising and evidence-based institutional reforms and innovative practices to improve student out-
comes and shall disseminate such best practices among such entities.

“(g) CONTINUATION OF FUNDING.—

“(1) IN GENERAL.—Except as provided in paragraph (2), a State or an eligible Tribal College or University receiving a grant under this subpart for a fiscal year may continue to receive funding under this subpart for future fiscal years conditioned on the availability of budget authority and on meeting the requirements of the grant, as determined by the Secretary.

“(2) DISCONTINUATION.—The Secretary may discontinue funding of the Federal share of a grant under this subpart if the State or eligible Tribal College or University has violated the terms of the grant or is not making adequate progress in implementing the reforms described in the application submitted under section 499C.

“(h) RULE OF CONSTRUCTION REGARDING BIE FUNDS.—Nothing in this subpart shall be construed to impact the availability of funds from, or uses of funds provided by, the Bureau of Indian Education for Tribal Colleges and Universities.
“SEC. 499F. AUTOMATIC STABILIZERS FOR AMERICA’S COLLEGE PROMISE.

“(a) MAINTENANCE OF EFFORT RELIEF.—Notwithstanding subsection (c) of section 499D, a State that meets the qualifying spending requirements may request a waiver of the requirements under such subsection (c). The Secretary shall waive the requirements of such subsection (c) for a State that makes a qualifying request under this subsection as follows:

“(1) TIER I.—With respect to each State eligible for relief under tier I, such requirements shall be waived for the fiscal year succeeding the fiscal year in which the determination of the State’s eligibility for such relief is made.

“(2) TIERS II THROUGH V.—With respect to each State eligible for relief under tier II, III, IV, or V, such requirements shall be waived, in accordance with subsection (d), for—

“(A) the fiscal year in which the determination of the State’s eligibility for such relief is made;

“(B) the fiscal year succeeding the fiscal year described in subparagraph (A); or

“(C) both such fiscal years.

“(b) STATE SHARE RELIEF.—
“(1) STATE MATCH RELIEF.—Notwithstanding subsection (b) of section 499B, a State that is eligible for relief under tier II, III, IV, or V may request relief with respect to the requirements of such subsection (b). The Secretary shall provide relief from the requirements of such subsection (b), for the applicable fiscal year or years, for a State that makes a qualifying request under this paragraph as follows:

“(A) TIER II.—With respect to a State that is eligible for relief under tier II, the Secretary shall—

“(i) apply section 499B(a)(1)(B)(v) by substituting ‘85 percent’ for ‘80 percent’; and

“(ii) apply section 499B(b)(1)(B)(v) by substituting ‘15 percent’ for ‘20 percent’.

“(B) TIER III.—With respect to a State that is eligible for relief under tier III, the Secretary shall—

“(i) apply section 499B(a)(1)(B)(v) by substituting ‘90 percent’ for ‘80 percent’;
“(ii) apply section 499B(b)(1)(B)(v) by substituting ‘10 percent’ for ‘20 percent’;

“(iii) apply section 499B(a)(1)(B)(iv) by substituting ‘90 percent’ for ‘85 percent’; and

“(iv) apply section 499B(b)(1)(B)(iv) by substituting ‘10 percent’ for ‘15 percent’

“(C) Tier IV.—With respect to a State that is eligible for relief under tier IV, the Secretary shall—

“(i) apply section 499B(a)(1)(B)(v) by substituting 95 percent’ for ‘80 percent’;

“(ii) apply section 499B(b)(1)(B)(v) by substituting ‘5 percent’ for ‘20 percent’;

“(iii) apply section 499B(a)(1)(B)(iv) by substituting ‘95 percent’ for ‘85 percent’;

“(iv) apply section 499B(b)(1)(B)(iv) by substituting ‘5 percent’ for ‘15 percent’;

“(v) apply section 499B(a)(1)(B)(iii) by substituting ‘95 percent’ for ‘90 percent’; and
“(vi) apply section 499B(b)(1)(B)(iii) by substituting ‘5 percent’ for ‘10 percent’.

“(D) TIER V.—With respect to a State that is eligible for relief under tier V, the Secretary shall—

“(i) apply section 499B(a)(1)(B)(v) by substituting 100 percent’ for ‘80 percent’;

“(ii) apply section 499B(b)(1)(B)(v) by substituting ‘0 percent’ for ‘20 percent’;

“(iii) apply section 499B(a)(1)(B)(iv) by substituting ‘100 percent’ for ‘85 percent’;

“(iv) apply section 499B(b)(1)(B)(iv) by substituting ‘0 percent’ for ‘15 percent’;

“(v) apply section 499B(a)(1)(B)(iii) by substituting ‘100 percent’ for ‘90 percent’;

“(vi) apply section 499B(b)(1)(B)(iii) by substituting ‘0 percent’ for ‘10 percent’;

“(vii) apply section 499B(a)(1)(B)(ii) by substituting ‘100 percent’ for ‘95 percent’; and

“(viii) apply section 499B(b)(1)(B)(ii) by substituting ‘0 percent’ for ‘5 percent’.
“(2) APPLICABLE FISCAL YEARS.—With respect to each State eligible for relief under tier II, III, IV, or V, the Secretary shall provide the relief under paragraph (1), in accordance with subsection (d), for—

“(A) the fiscal year in which the determination of the State’s eligibility for such relief is made;

“(B) the fiscal year succeeding the fiscal year described in subparagraph (A); or

“(C) both such fiscal years.

“(c) STATE ELIGIBILITY.—A State’s eligibility for relief under this section shall be determined as follows:

“(1) TIER I.—A State shall be eligible for relief under tier I for a fiscal year in which—

“(A)(i) the State was in an elevated unemployment period at any point in the fiscal year; or

“(ii) the Nation as a whole was in an elevated unemployment period at any point in the fiscal year; and

“(B) the State is not eligible for relief under any other tier.

“(2) TIER II.—A State shall be eligible for relief under tier II for a fiscal year in which—
“(A)(i) the State average unemployment rate was equal to or greater than 6.5 percent but less than 7.5 percent at any point in the fiscal year; or

“(ii) the national average unemployment rate is equal to or greater than 6.5 percent but less than 7.5 percent at any point in the fiscal year; and

“(B) the State is not eligible for relief under tier III, IV, or V.

“(3) TIER III.—A State shall be eligible for relief under tier III for a fiscal year in which—

“(A)(i) the State average unemployment rate was equal to or greater than 7.5 percent but less than 8.5 percent at any point in the fiscal year; or

“(ii) the national average unemployment rate is equal to or greater than 7.5 percent but less than 8.5 percent at any point in the fiscal year; and

“(B) the State is not eligible for relief under tier IV or V.

“(4) TIER IV.—A State shall be eligible for relief under tier IV for a fiscal year in which—
“(A)(i) the State average unemployment rate was equal to or greater than 8.5 percent but less than 9.5 percent at any point in the fiscal year; or

“(ii) the national average unemployment rate is equal to or greater than 8.5 percent but less than 9.5 percent at any point in the fiscal year; and

“(B) the State is not eligible for relief under tier V.

“(5) TIER V.—A State shall be eligible for relief under tier V for a fiscal year in which—

“(A) the State average unemployment rate was equal to or greater than 9.5 percent at any point in the fiscal year; or

“(B) the national average unemployment rate is equal to or greater than 9.5 percent at any point in the fiscal year.

“(d) DISCRETION IN THE PROVISION OF RELIEF.—In determining the fiscal years for which to provide relief in accordance with subsections (a)(2) and (b) to a State that is eligible under tier II, III, IV, or V, the Secretary shall take into account the following:
“(1) In the case of a State that requests relief under subsection (a)(2), the fiscal years for which the State requests such relief, including—

“(A) if the State requests such relief for the fiscal year for which the determination of the State’s eligibility for such relief is made, the amount by which the State is unable to meet the requirements of section 499D(c) for such fiscal year; and

“(B) if the State requests such relief for the fiscal year succeeding the year described in subparagraph (A), the amount by which the State anticipates being unable to meet such requirements for such succeeding fiscal year.

“(2) In the case of a State that requests relief under subsection (b), the fiscal years for which the State requests such relief, including—

“(A) if the State requests such relief for the fiscal year for which the determination of the State’s eligibility for such relief is made, the extent to which the State is unable to meet the requirements of section 499B(b) for such fiscal year; and

“(B) if the State requests such relief for the fiscal year succeeding the year described in
subparagraph (A), the extent to which the State
anticipates being unable to meet such require-
ments for such succeeding fiscal year.

“(3) The actual or anticipated timing, severity,
and duration of the unemployment rate increase
during—

“(A) the fiscal year for which the deter-
mination of the State’s eligibility for such relief
is made;

“(B) the fiscal year succeeding the fiscal
year described in subparagraph (A); and

“(C) the fiscal year preceding the fiscal
year described in subparagraph (A).

“(4) Other factors determined to be relevant by
the Secretary.

“(e) CONTINUED PAYMENT TO EMPLOYEES.—A
State that receives relief under subsection (a) or (b) shall,
to the greatest extent practicable, continue to pay its em-
ployees of, and contractors with, public institutions of
higher education in the State during the period in which
the State is receiving such relief.

“(f) DEFINITIONS.—In this section:

“(1) ELEVATED UNEMPLOYMENT PERIOD.—
The term ‘elevated unemployment period’—
“(A) when used with respect to the Nation as a whole, means a consecutive, 3-month period in a fiscal year in which the national average unemployment rate is not less than 0.5 percentage points above the lowest national average unemployment rate for the 12-month period preceding such 3-month period; and

“(B) when used with respect to a State, means a consecutive, 3-month period in a fiscal year in which the State average unemployment rate is not less than 0.5 percentage points above the lowest State average unemployment rate for the 12-month period preceding such 3-month period.

“(2) QUALIFYING SPENDING REQUIREMENTS.—The term ‘qualifying spending requirements’ means the requirements that a State not disproportionately decrease spending for any of the categories described in paragraphs (1) through (3) of section 499D(c) relative to such State’s overall, average decrease in spending for the 3 consecutive preceding fiscal years.

“(3) NATIONAL AVERAGE UNEMPLOYMENT RATE.—The term ‘national average unemployment rate’ means the average (seasonally adjusted) rate of total unemployment in all States for a consecutive,
3-month period in a fiscal year, based on data from the Bureau of Labor Statistics of the Department of Labor.

“(4) STATE AVERAGE UNEMPLOYMENT RATE.—
The term ‘State average unemployment rate’ means the average (seasonally adjusted) rate of total unemployment in a State for a consecutive, 3-month period in a fiscal year, based on data from the Bureau of Labor Statistics of the Department of Labor.

“SEC. 499G. APPROPRIATIONS.

“There are authorized to be appropriated, and there are appropriated to carry out this subpart (in addition to any other amounts appropriated to carry out this subpart and out of any money in the Treasury not otherwise appropriated), such sums as may be necessary for fiscal year 2024 and each succeeding fiscal year.

“SEC. 499H. DEFINITIONS.

“In this subpart:

“(1) APPRENTICESHIP.—The term ‘apprenticeship’ means an apprenticeship program registered under the Act of August 16, 1937 (commonly known as the ‘National Apprenticeship Act’; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.).

“(2) CAREER PATHWAY.—The term ‘career pathway’ has the meaning given the term in section

"

“(3) COMMUNITY COLLEGE.—The term ‘community college’ means—

“(A) a degree-granting public institution of higher education at which—

“(i) the highest degree awarded is an associate degree; or

“(ii) an associate degree is the predominant degree awarded;

“(B) an eligible Tribal College or University;

“(C) a degree-granting branch campus of a 4-year public institution of higher education if, at such branch campus—

“(i) the highest degree awarded is an associate degree; or

“(ii) an associate degree is the predominant degree awarded; or

“(D) at the designation of the Secretary, in the case of a State that does not operate or control any institution that meets a definition under subparagraph (A) or (C), a college or similarly defined and structured academic entity—
“(i) that was in existence on July 1, 2021;

“(ii) within a 4-year public institution of higher education; and

“(iii) at which—

“(I) the highest degree awarded is an associate degree; or

“(II) an associate degree is the predominant degree awarded.

“(4) DUAL OR CONCURRENT ENROLLMENT PROGRAM.—The term ‘dual or concurrent enrollment program’ has the meaning given the term in section 8101 of the Elementary and Secondary Education Act of 1965.

“(5) EARLY COLLEGE HIGH SCHOOL.—The term ‘early college high school’ has the meaning given the term in section 8101 of the Elementary and Secondary Education Act of 1965.

“(6) ELIGIBLE STUDENT.—The term ‘eligible student’ means a student who—

“(A) is enrolled as an undergraduate student in an eligible program (as defined in section 481(b)) at a community college on not less than a half-time basis;
“(B) in the case of a student who is enrolled in a community college that charges different tuition rates on the basis of in-State or in-district residency, either—

“(i) qualifies for in-State or in-district resident community college tuition; or

“(ii) would qualify for such in-State or in-district resident tuition at such community college, but for the immigration status of such student; and

“(C) has not been enrolled (whether full-time or less than full-time) for more than 6 semesters (or the equivalent) for which community college tuition and fees of the student were set to $0 pursuant to section 499D(a);

“(D) is not enrolled in a dual or concurrent enrollment program or early college high school; and

“(E) in the case of a student who is a United States citizen, has filed a FAFSA described in section 483 for the applicable award year for which the student is enrolled.

“(7) ELIGIBLE TRIBAL COLLEGE OR UNIVERSITY.—The term ‘eligible Tribal College or University’ means—
“(A) a 2-year Tribal College or University;

or

“(B) a degree-granting Tribal College or University—

“(i) at which the highest degree awarded is an associate degree; or

“(ii) an associate degree is the predominant degree awarded.

“(8) Evidence-based institutional reforms and innovative practices.—The term ‘evidence-based institutional reforms and innovative practices’ means practices or reforms that meet the criteria for ‘evidence tier 1’ and ‘evidence tier 2’ under section 4611(a)(2) of the Elementary and Secondary Education Act of 1965, as determined by the Secretary in accordance with such section.

“(9) Institution of higher education.—The term ‘institution of higher education’ has the meaning given the term in section 101.

“(10) Means-tested Federal benefit program.—The term ‘means-tested Federal benefit program’ has the meaning given the term in section 479.

“(11) Recognized postsecondary credential.—The term ‘recognized postsecondary creden-
tial’ has the meaning given the term in section 3 of
the Workforce Innovation and Opportunity Act (29

“(12) STATE FISCAL SUPPORT FOR HIGHER
EDUCATION.—

“(A) INCLUSIONS.—

“(i) IN GENERAL.—Except as pro-
vided in subparagraph (B), the term ‘State
fiscal support for higher education’, used
with respect to a State for a fiscal year,
means an amount that is equal to—

“(I) the gross amount of applica-
able State funds appropriated or dedi-
cated, and expended by the State, in-
cluding funds from lottery receipts, in
the fiscal year, that are used to sup-
port institutions of higher education
and student financial aid for higher
education in the State; and

“(II) any funds described in
clause (ii).

“(ii) LOCAL FUNDS.—In the case of a
State that includes, as part of the State
share under section 499B(b)(2)(B) for an
award year, funds provided to community
colleges by local governments in such State for the purpose of carrying out this subpart, local funds provided to community colleges operated or controlled by such State for operating expenses (excluding capital expenses and research and development costs) shall be included in the calculation of the State fiscal support for higher education for such award year under clause (i).

“(B) EXCLUSIONS.—State fiscal support for higher education for a State for a fiscal year shall not include—

“(i) funds described in subparagraph (A)(i) that are returned to the State;

“(ii) State-appropriated funds derived from Federal sources, including funds provided under section 499B(b) and section 499J(b);

“(iii) funds that are included in the State share under section 499B(b) (except as provided in subparagraph (A)(ii) of this paragraph), including funds included in the State share in accordance with paragraph (2)(A) of such section;
“(iv) amounts that are portions of multiyear appropriations to be distributed over multiple years that are not to be spent for the year for which the calculation under this paragraph is being made, subject to subparagraph (C);

“(v) tuition, fees, or other educational charges paid directly by a student to a public institution of higher education or to the State;

“(vi) funds for—

“(I) financial aid to students attending, or operating expenses of—

“(aa) out-of-State institutions of higher education;

“(bb) proprietary institutions of higher education (as defined in section 102(b)); or

“(cc) institutions of higher education not accredited by an agency or association recognized by the Secretary pursuant to section 496;

“(II) financial aid to students awarded predominantly on the basis
of merit, including programs awarded
on the basis of predicted or actual
academic performance or assessment;

“(III) research and development;

“(IV) hospitals, athletics, or
other auxiliary enterprises; or

“(V) corporate or other private
donations directed to 1 or more insti-
tutions of higher education permitted
to be expended by the State; or

“(vii) any other funds that the Sec-
retary determines shall not be included in
the calculation of State fiscal support for
higher education for such State.

“(C) ADJUSTMENTS FOR BIENNIAL APPROPRIATIONS.—The Secretary shall take into con-
sideration any adjustments to the calculations
under this paragraph that may be required to
accurately reflect State fiscal support for higher
education in States with biennial appropriation
cycles.

“(13) STATE FISCAL SUPPORT FOR HIGHER
EDUCATION PER FULL-TIME EQUIVALENT STU-
DENT.—The term ‘State fiscal support for higher
education per full-time equivalent student’, when
used with respect to a State for a fiscal year, means,
the amount that is equal to—

“(A) the State fiscal support for higher
education for the previous fiscal year; divided
by

“(B) the number of full-time equivalent
students enrolled in public institutions of higher
education in such State for such previous fiscal
year.

“(14) TRIBAL COLLEGE OR UNIVERSITY.—The
term ‘Tribal College or University’ has the meaning
given such term in section 316(b)(3).”

TITLE II—STUDENT SUCCESS
FUND

SEC. 201. STUDENT SUCCESS FUND.

Part J of title IV of the Higher Education Act of
1965 (20 U.S.C. 1070 et seq.), as added by section 101,
is further amended by adding at the end the following:

“Subpart 2—Student Success Fund

SEC. 499I. IN GENERAL.

“(a) IN GENERAL.—From amounts appropriated
under section 499O for any fiscal year, the Secretary shall
carry out a grant program (to be known as the ‘Student
Success Fund’) to make grants to eligible entities to carry
out the activities and services described in section 499L.
“(b) PRIORITY.—In awarding funds under this subpart, the Secretary shall give priority to eligible entities that propose to use a significant share of grant funds to improve enrollment, retention, transfer, or completion rates or labor market outcomes among students of color, low-income students, students with disabilities, students in need of remediation, first generation college students, student parents, and other underserved student populations.

“SEC. 499J. FEDERAL SHARE AND MATCHING FUNDS.

“(a) FEDERAL SHARE.—

“(1) FORMULA REQUIREMENTS.—The Federal share of a grant under this subpart shall be based on a formula, developed by the Secretary, that accounts for—

“(A) the State or Tribal College or University relative share of eligible students, as determined in accordance with section 499B(c);

“(B) the State or Tribal College or University relative share of Federal Pell Grant recipients; and

“(C) the ratio between a State or Tribal College or University funding per full-time equivalent (FTE) student at public institutions of higher education and the average net price at public 4-year institutions of higher education, in
such a way as to reward States and Indian tribes that keep net prices for students low while maintaining their fiscal support for higher education.

“(2) FORMULA PUBLISHED BEFORE APPLICATION DEADLINE.—The Secretary shall—

“(A) develop the formula described in paragraph (1);

“(B) calculate estimated allotments for each eligible entity under such formula; and

“(C) publish such formula and estimated allotments not later than the date of the notice soliciting applications for participation in the program under this subpart.

“(b) MATCHING FUNDS.—

“(1) IN GENERAL.—Except as provided in paragraph (2), an eligible entity participating in the program under this subpart shall provide, from non-Federal sources, in cash or in-kind—

“(A) in each of the first, second, third, and fourth years of participation in the program, an amount equal to 25 percent of the amount such entity received under subsection (a) with respect to such year;
“(B) in each of the fifth and sixth years of participation in the program, an amount equal to 50 percent of the amount such entity received under subsection (a) with respect to such year;

“(C) in each of the seventh and eighth years of participation in the program, an amount equal to 75 percent of the amount such entity received under subsection (a) with respect to such year; and

“(D) in the ninth year and each subsequent year thereafter of participation in the program, an amount equal to 100 percent of the amount such entity received under subsection (a) with respect to such year.

“(2) EXCEPTION FOR TRIBAL COLLEGES AND UNIVERSITIES.—The Secretary may modify or waive the matching fund requirements under paragraph (1) in the case of an eligible entity that is a Tribal College or University.

“(3) REALLOTMENT.—If an eligible entity returns to the Secretary any portion of the grant amount provided to such eligible entity under this subpart for any fiscal year, or requests a grant amount that is less than the Federal share deter-
mined for such entity in accordance with subsection (a), the Secretary shall reallocate such excess amount for the succeeding fiscal year, in addition to the amounts appropriated under 499O for such succeeding fiscal year.

“(c) SUPPLEMENT, NOT SUPPLANT.—Grant funds awarded under this subpart shall be used to supplement, and not supplant, other Federal, State, tribal, and local funds that would otherwise be expended to carry out activities assisted under this subpart.

“SEC. 499K. APPLICATIONS.

“(a) IN GENERAL.—To be eligible to participate in the program under this subpart, an eligible entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including—

“(1) a plan that includes—

“(A) the amount of funds requested by the eligible entity under this subpart and the intended use of such funds;

“(B) how the eligible entity will use the requested funds to implement promising and evidence-based institutional reforms and innovative practices to improve student outcomes, including—
“(i) implementation of the reforms and practices identified by such entity under section 499C(b)(4); and

“(ii) annual implementation benchmarks that the entity will use to track progress in implementing such reforms and practices;

“(C) if the eligible entity is a State, how such eligible entity will support the scaling of evidence-based and innovative initiatives system-wide;

“(D) how the eligible entity will meet its matching fund requirements under section 499J(b);

“(E) if the eligible entity is a State, how such eligible entity will prioritize spending on the public institutions of higher education specified in paragraph (2)(B); and

“(F) the improvements the eligible entity anticipates in student outcomes, including improvements in transfer rates or completion rates, or both; and

“(2) if the eligible entity is a State, an analysis that includes—
“(A) with respect to each public institution of higher education of the eligible entity—

“(i) the total per-student funding;

“(ii) the amount of per-student funding from State-appropriated funds;

“(iii) the student demographics (including data on race, income, disability status, and remediation); and

“(iv) transfer and completion rates, including such rates among low-income students, students of color, students with disabilities, and students in need of remediation; and

“(B) whether, of the public institutions of higher education of the eligible entity, the public institutions of higher education that received less funding on a per-student basis described in clause (i) or (ii), or both, of subparagraph (A), are serving disproportionately high shares of low-income students, students of color, students with disabilities, or students in need of remediation.

“(b) APPROVAL.—
“(1) IN GENERAL.—Not later than 180 days after receiving a plan under subsection (a), the Secretary shall—

“(A) approve the plan; or

“(B) require revisions to such plan.

“(2) REVISIONS REQUIRED.—An eligible entity shall make such revisions as required by the Secretary under paragraph (1)(B).

“(e) PUBLICATION.—The Secretary shall make each plan approved under subsection (b)(1)(A) and each plan revised under subsection (b)(2) available to the public on the website of the Department.

“SEC. 499L. PROGRAM REQUIREMENTS.

“(a) GENERAL REQUIREMENTS.—

“(1) REPORT ON DEMONSTRATED PROGRESS.—
For the third year in which an eligible entity participates in the program under this subpart, and every 2 years thereafter, the eligible entity shall submit a report to the Secretary, in such manner and containing such information as the Secretary may require, that includes—

“(A) the progress in meeting the annual implementation benchmarks included in the application of such eligible entity under section 499K(a)(1)(B);
“(B) the progress in improving the student outcomes identified by the entity under section 499K(a)(1)(F); and
“(C) with respect to the 2 years after such report is submitted—
“(i) a plan for the use of funds under this subpart; and
“(ii) the amount of funds requested by the eligible entity under this subpart.
“(2) APPROVAL.—Not later than 180 days after receiving a plan under paragraph (1)(C)(i), the Secretary shall—
“(A) approve the plan; or
“(B) require revisions to such plan.
“(3) REVISIONS REQUIRED.—An eligible entity shall make such revisions as required by the Secretary under paragraph (2)(B).
“(b) FAILURE TO MEET REQUIREMENTS.—If an eligible entity does not meet the annual implementation benchmarks included in the application of such eligible entity under section 499K(a)(1)(B), as required to be reported under subsection (a)(1)(A), such eligible entity shall submit to the Secretary, at such time and in such manner as the Secretary may require—
“(1) a written explanation for the delay in meeting such requirements; and

“(2) a plan that will enable such eligible entity to meet such requirements not later than 1 year after the date on which the eligible entity submitted the written explanation under paragraph (1).

“(c) PUBLICATION.—The Secretary shall make each plan approved under subsection (a)(2)(A), each plan revised under subsection (a)(3), and each plan submitted under subsection (b)(2) available to the public on the website of the Department.

“SEC. 499M. ALLOWABLE USES OF FUNDS.

“(a) IN GENERAL.—Except as provided in subsection (b), an eligible entity shall use a grant under this subpart only to carry out the plan approved or revised for such year under section 499K.

“(b) USE OF FUNDS FOR ADMINISTRATIVE PURPOSES.—An eligible entity that receives a grant under this subpart may use not more than 5 percent of such grant for administrative purposes relating to the grant under this subpart.

“(c) PROHIBITED USES OF FUNDS.—No funds received under this section shall be used to—
“(1) pay contractors for the provision of pre-enrollment recruitment activities through a revenue sharing agreement; or

“(2) fund endowments, athletics, sectarian instruction, or religious worship.

“SEC. 499N. ELIGIBLE ENTITY DEFINED.

“In this subpart, the term ‘eligible entity’ means a State or Tribal College or University that is a recipient of a grant under subpart 1.

“SEC. 499O. APPROPRIATIONS.

“(a) Authorization and Appropriations.—There are authorized to be appropriated, and there are appropriated to carry out this subpart (in addition to any other amounts appropriated to carry out this subpart and out of any money in the Treasury not otherwise appropriated), $1,000,000,000 for fiscal year 2024 and each succeeding fiscal year.

“(b) Availability.—Funds appropriated under subsection (a) shall remain available to the Secretary until expended.”.
TITLE III—PATHWAYS TO STUDENT SUCCESS FOR HISTORICALLY BLACK COLLEGES AND UNIVERSITIES, TRIBAL COLLEGES AND UNIVERSITIES, AND MINORITY-SERVING INSTITUTIONS

SEC. 301. GRANTS TO HISTORICALLY BLACK COLLEGES AND UNIVERSITIES, TRIBAL COLLEGES AND UNIVERSITIES, AND MINORITY-SERVING INSTITUTIONS.

Part J of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.), as added and amended by this Act, is further amended by adding at the end the following:

“Subpart 3—Grants to Historically Black Colleges and Universities, Tribal Colleges and Universities, and Minority-Serving Institutions

“SEC. 499P. PATHWAYS TO STUDENT SUCCESS FOR HISTORICALLY BLACK COLLEGES AND UNIVERSITIES.

“From amounts appropriated under section 499U(a) for any fiscal year, the Secretary shall award grants to participating historically Black colleges or universities that meet the requirements of section 499S(a) to—
“(1) encourage students to enroll and successfully complete a bachelor’s degree at such colleges and universities;

“(2) provide incentives to community college students to transfer to such colleges and universities through strong transfer pathways to complete a bachelor’s degree program; and

“(3) support such colleges and universities to better serve new and existing students by engaging in reforms and innovations designed to improve completion rates and other student outcomes.

“SEC. 499Q. PATHWAYS TO STUDENT SUCCESS FOR TRIBAL COLLEGES AND UNIVERSITIES.

“From amounts appropriated under section 499U(a) for any fiscal year, the Secretary shall award grants to participating Tribal Colleges or Universities that meet the requirements of section 499S(a) to—

“(1) encourage students to enroll and successfully complete a bachelor’s degree at such Colleges and Universities;

“(2) provide incentives to community college students to transfer to such Colleges and Universities through strong transfer pathways to complete a bachelor’s degree program; and
“(3) support such Colleges and Universities to better serve new and existing students by engaging in reforms and innovations designed to improve completion rates and other student outcomes.

“SEC. 499R. PATHWAYS TO STUDENT SUCCESS FOR ALASKA NATIVE-SERVING INSTITUTIONS, ASIAN AMERICAN AND NATIVE AMERICAN PACIFIC ISLANDER-SERVING INSTITUTIONS, HISPANIC-SERVING INSTITUTIONS, NATIVE AMERICAN-SERVING NONTRIBAL INSTITUTIONS, NATIVE HAWAIIAN-SERVING INSTITUTIONS, AND PREDOMINANTLY BLACK INSTITUTIONS.

“From amounts appropriated under section 499U(a) for any fiscal year, the Secretary shall award grants to participating Alaska Native-serving institutions, Asian American and Native American Pacific Islander-serving institutions, Hispanic-serving institutions, Native American-serving nontribal institutions, Native Hawaiian-serving institutions, and Predominantly Black institutions that meet the requirements of section 499S(a) to—

“(1) encourage students to enroll and successfully complete a bachelor’s degree at such institutions;
“(2) provide incentives to community college students to transfer to such institutions through strong transfer pathways to complete a bachelor’s degree program; and

“(3) support such institutions to better serve new and existing students by engaging in reforms and innovations designed to improve completion rates and other student outcomes.

“SEC. 499S. GRANT TERMS.

“(a) INSTITUTIONAL ELIGIBILITY.—An institution shall meet the requirements of this subsection if the institution—

“(1) in a public or nonprofit 4-year institution that has a student body of which not less than 35 percent are low-income students;

“(2) commits to maintaining or adopting and implementing promising and evidence-based institutional reforms and innovative practices to improve the completion rates and other student outcomes, such as—

“(A) providing comprehensive academic, career, and student support services (including mentoring, advising, case management services, and career pathway navigation), especially for low-income, first-generation, and adult stu-
dents, and other students belonging to racial and other groups that are historically underrepresented in higher education;

“(B) providing direct support services, or assistance in applying for such services, such as—

“(i) childcare, transportation, and emergency financial assistance;

“(ii) assistance in obtaining health insurance coverage and accessing health care services, including behavioral and mental health services;

“(iii) affordable housing;

“(iv) nutrition assistance programs or free or discounted food; and

“(v) means-tested Federal benefit programs, or similar State, tribal, or local benefit programs;

“(C) providing accelerated learning opportunities and degree pathways, such as dual or concurrent enrollment programs and pathways to graduate and professional degree programs;

“(D) partnering with employers, industry, nonprofit associations, and other groups to pro-
vide opportunities to advance learning outside the classroom, including—

“(i) work-based learning opportunities (such as internships or apprenticeships); or

“(ii) programs designed to improve inter-cultural development and personal growth (such as foreign exchange and study abroad programs); or

“(E) strengthening remedial education, especially for low-income, first-generation, and adult students, and other students belonging to racial and other groups that are historically underrepresented in higher education, including through the use of multiple measures (such as a student’s college entrance examination score, grade point average, high school course list, or a placement examination) to identify students in need of remedial education;

“(3) sets performance goals for improving student outcomes for the duration of the grant; and

“(4) if receiving a grant for transfer students, has a formal, statewide articulation agreement with community colleges in the State in which such institution operates that guarantees—
“(A) that a student who earns postsecondary credit at any community college in such State shall be able to fully transfer such credit toward meeting related degree or certificate requirements at such institution; and

“(B) that associate degrees awarded by community colleges in the State are fully transferable to, and credited as, the first 2 years of related baccalaureate programs at such institution.

“(b) GRANT AMOUNT.—

“(1) INITIAL AMOUNT.—For the first year that an eligible institution participates in the grant program under this subpart and subject to paragraph (3), such eligible institution shall receive a grant in an amount based on the product of—

“(A) the actual cost of tuition and fees at the eligible institution in such year (referred to in this subpart as the per-student rebate); and

“(B) the number of eligible students enrolled in the eligible institution for the preceding year.

“(2) SUBSEQUENT INCREASES.—For each succeeding year after the first year of the grant program under this subpart, each participating eligible
institution shall receive a grant in the amount determined under paragraph (1) for such year, except that in no case shall the amount of the per-student rebate for an eligible institution increase by more than 3 percent as compared to the amount of such rebate for the preceding year.

“(3) LIMITATIONS.—

“(A) MAXIMUM PER-STUDENT REBATE.—

No eligible institution participating in the grant program under this subpart shall receive a per-student rebate amount for any year that is greater than the national average of annual tuition and fees at public 4-year institutions of higher education for such year, as determined by the Secretary.

“(B) FIRST-YEAR TUITION AND FEES.—

During the first year of participation in the grant program under this subpart, no eligible institution may increase tuition and fees at a rate greater than any annual increase at the eligible institution in the previous 5 years.

“(4) STUDENTS ENROLLED LESS THAN FULL-TIME.—The Secretary shall develop and implement a formula for making adjustments to grant amounts under this subpart based on the number of eligible
students at each eligible institution enrolled less
than full-time and the associated tuition and fees
charged to such students in proportion to the degree
to which each such student is not attending on a
full-time basis.

“(c) APPLICATION.—An eligible institution that de-
sires a grant under this subpart shall submit an applica-
tion to the Secretary at such time, in such manner, and
containing such information as the Secretary may require.

“(d) USE OF FUNDS.—Funds awarded under this
subpart to a participating eligible institution shall be used
to waive or significantly reduce tuition and fees for eligible
students by an amount not to exceed the annual per-stu-
dent rebate amount. Such funds under this subpart may
only be used to waive or reduce tuition and fees for the
first 60 credits for which an eligible student is enrolled
in the participating eligible institution.

“(e) SUPPLEMENT, NOT SUPPLANT.—Funds made
available under section 499U to carry out this subpart
shall be used to supplement, and not supplant, other Fed-
eral, State, tribal, and local funds that would otherwise
be expended to carry out activities under this subpart.

“SEC. 499T. DEFINITIONS.

“In this subpart:
“(1) ALASKA NATIVE-SERVING INSTITUTION.—

The term ‘Alaska Native-serving institution’ has the meaning given such term in section 317(b).

“(2) ASIAN AMERICAN AND NATIVE AMERICAN PACIFIC ISLANDER-SERVING INSTITUTION.—The term ‘Asian American and Native American Pacific Islander-serving institution’ has the meaning given such term in section 371(c).

“(3) ELIGIBLE STUDENT.—The term ‘eligible student’ means a student, regardless of age, who—

“(A) is enrolled in an eligible program (as defined in section 481(b)) at a participating eligible institution, on at least a half-time basis;

“(B) is a low-income student;

“(C) has been enrolled at such participating eligible institution under this subpart for not more than 60 credits; and

“(D) has not been enrolled (whether full-time or less than full-time) for more than 6 semesters (or the equivalent) for which the student received a benefit under this subpart.

“(4) HISPANIC-SERVING INSTITUTION.—The term ‘Hispanic-serving institution’ has the meaning given such term in section 502.
“(5) Historically Black college or university.—The term ‘historically Black college or university’ means a part B institution described in section 322(2).

“(6) Low-income student.—The term ‘low-income student’ shall include—

“(A) any student eligible for a Federal Pell Grant under section 401; and

“(B) any student who meets the financial eligibility criteria for receiving a Federal Pell Grant under section 401, but who is ineligible to receive a Federal Pell Grant.

“(7) Native American-serving nontribal institution.—The term ‘Native American-serving nontribal institution’ has the meaning given such term in section 371(e).

“(8) Native Hawaiian-serving institution.—The term ‘Native Hawaiian-serving institution’ has the meaning given such term in section 317(b).

“(9) Predominantly Black institution.—The term ‘Predominantly Black institution’ has the meaning given such term in section 371(e).
“(10) Tribal College or University.—The term ‘Tribal College or University’ has the meaning given the term in section 316(b)(3).

“SEC. 499U. APPROPRIATIONS.

“(a) Authorization and Appropriations for HBCU, TCU, and MSI Grants.—For the purpose of carrying out this subpart there are authorized to be appropriated, and there are appropriated—

“(1) $98,100,000 for fiscal year 2024;
“(2) $321,040,000 for fiscal year 2025;
“(3) $1,912,010,000 for fiscal year 2026;
“(4) $1,988,710,000 for fiscal year 2027;
“(5) $2,068,960,000 for fiscal year 2028;
“(6) $2,151,010,000 for fiscal year 2029;
“(7) $2,184,900,000 for fiscal year 2030;
“(8) $2,329,370,000 for fiscal year 2031;
“(9) $2,423,910,000 for fiscal year 2032; and
“(10) $2,521,990,000 for fiscal year 2033 and each succeeding fiscal year.

“(b) Availability.—Funds appropriated under subsection (a) for a fiscal year are to remain available to the Secretary through the two fiscal years following such fiscal year.

“(c) Insufficient Funds.—If the amount appropriated under subsection (a) for a fiscal year is not suffi-
cient to award each institution participating in the grant programs under sections 499P, 499Q, and 499R a grant under this subpart equal to 100 percent of the grant amount determined under section 499S(b), the Secretary may ratably reduce the amount of each such grant or take other actions necessary to ensure an equitable distribution of such amount appropriated under subsection (a).”