

117TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

To improve the structure of the Federal Pell Grant program, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

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\_\_\_\_\_ introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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**A BILL**

To improve the structure of the Federal Pell Grant program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Pell Grant Preserva-  
5 tion and Expansion Act of 2021”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

8 (1) The United States needs individuals with  
9 the knowledge, skills, and abilities that enable them

1 to thrive as educated citizens in society and success-  
2 fully participate in an interconnected economy.

3 (2) Investments in higher education through  
4 student aid such as the Federal Pell Grant program  
5 under section 401 of the Higher Education Act of  
6 1965 (20 U.S.C. 1070a) help students and families  
7 reach, afford, and complete education and training  
8 opportunities beyond high school.

9 (3) The Federal Pell Grant program is the larg-  
10 est source of federally funded grant aid for postsec-  
11 ondary education.

12 (4) The Federal Pell Grant program allows mil-  
13 lions of people of the United States to attend college  
14 and is especially vital for students of color. Three in  
15 5 African American undergraduate students, and  
16 one-half of all Latino undergraduate students, rely  
17 on the Federal Pell Grant program.

18 (5) The Federal Pell Grant program should  
19 continue to be a reliable source of funding for aspir-  
20 ing students, their families, and future generations  
21 that they can count on to be there for them when  
22 they seek higher education.

23 (6) To stabilize Federal Pell Grant funding and  
24 ensure the grant will continue to serve millions of  
25 students now and in the future, the program should

1       become a fully mandatory program that grows with  
2       inflation.

3               (7) Restoring prior eligibility cuts and expand-  
4       ing access to underserved students will give millions  
5       of students and families the critical student aid sup-  
6       port they need and deserve.

7       **SEC. 3. TABLE OF CONTENTS; REFERENCES.**

8       (a) **TABLE OF CONTENTS.**—The table of contents of  
9       this Act is as follows:

Sec. 1. Short title.

Sec. 2. Findings.

Sec. 3. Table of contents; references.

Sec. 4. Doubling Federal Pell Grants and providing all Federal Pell Grants  
through mandatory funding.

Sec. 5. Providing increased Federal Pell Grants and other assistance for recipi-  
ents of means-tested benefits.

Sec. 6. Federal Pell Grant eligibility for dreamer students.

Sec. 7. Providing Federal Pell Grants for dependents of fallen heroes.

Sec. 8. Restoring the total semesters of Federal Pell Grant eligibility.

Sec. 9. Reducing financial aid penalties from satisfactory academic progress de-  
terminations.

Sec. 10. Conforming amendments.

Sec. 11. Effective date.

10       (b) **REFERENCES.**—Except as otherwise expressly  
11       provided, whenever in this Act an amendment or repeal  
12       is expressed in terms of an amendment to, or repeal of,  
13       a section or other provision, the reference shall be consid-  
14       ered to be made to a section or other provision of the  
15       Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

1 **SEC. 4. DOUBLING FEDERAL PELL GRANTS AND PRO-**  
2 **VIDING ALL FEDERAL PELL GRANTS**  
3 **THROUGH MANDATORY FUNDING.**

4 (a) AMOUNT OF MINIMUM FEDERAL PELL  
5 GRANTS.—Section 401 (20 U.S.C. 1070a), as amended by  
6 section 703 of the FAFSA Simplification Act (title VII  
7 of division FF of Public Law 116–260) (referred to in  
8 this Act as the “FAFSA Simplification Act”), is further  
9 amended—

10 (1) in subsection (a)(2)(F), by striking “10 per-  
11 cent” and inserting “5 percent”;

12 (2) in subsection (b)—

13 (A) in paragraph (1)(B)(i), by striking  
14 “paragraph (5)(A)” and inserting “paragraph  
15 (5)”;

16 (B) by striking paragraph (5) and insert-  
17 ing the following:

18 “(5) MAXIMUM FEDERAL PELL GRANT.—

19 “(A) AWARD YEAR 2023–2024.—For award  
20 year 2023–2024, the total maximum Federal  
21 Pell Grant award shall be \$9,000.

22 “(B) AWARD YEAR 2024–2025.—For award  
23 year 2024–2025, the total maximum Federal  
24 Pell Grant award shall be \$10,000.

1           “(C) AWARD YEAR 2025–2026.—For award  
2 year 2025–2026, the total maximum Federal  
3 Pell Grant award shall be \$11,000.

4           “(D) AWARD YEAR 2026–2027.—For award  
5 year 2026–2027, the total maximum Federal  
6 Pell Grant award shall be \$12,000.

7           “(E) AWARD YEAR 2027–2028.—For award  
8 year 2027–2028, the total maximum Federal  
9 Pell Grant award shall be \$13,000.

10           “(F) AWARD YEAR 2028–2029 AND SUBSE-  
11 QUENT YEARS.—For award year 2028–2029,  
12 and each subsequent award year, the total max-  
13 imum Federal Pell Grant award shall be  
14 \$13,000—

15           “(i) increased by the adjustment per-  
16 centage for the award year for which the  
17 amount under this subparagraph is being  
18 determined; and

19           “(ii) rounded to the nearest \$50.

20           “(G) DEFINITION OF ADJUSTMENT PER-  
21 CENTAGE.—In this paragraph, the term ‘adjust-  
22 ment percentage,’ as applied to an award year,  
23 is equal to the percentage increase in the Con-  
24 sumer Price Index, as defined in section 478(f),



1 forgiveness under subclause  
2 (II)(bb)(CC).”;

3 (4) by striking subsections (g) and (h); and

4 (5) by redesignating subsections (i) and (j) as  
5 subsections (g) and (h), respectively.

6 (b) REPEAL OF SCORING REQUIREMENT.—

7 (1) IN GENERAL.—Section 406 of H. Con. Res.  
8 95 (109th Congress) is amended—

9 (A) by striking subsection (b); and

10 (B) by striking “(a) IN GENERAL.—Upon”  
11 and inserting the following: “Upon”.

12 (2) EFFECTIVE DATE.—The amendments made  
13 by paragraph (1) shall take effect beginning on July  
14 1, 2023.

15 (c) ADJUSTMENT FOR AWARD YEAR 2022–2023.—

16 Notwithstanding section 401(b)(7)(C)(iii) of the Higher  
17 Education Act of 1965 (20 U.S.C. 1070a(b)(7)(C)(iii)),  
18 the amount determined under such clause for purposes of  
19 section 401(b)(7)(B)(iii) of such Act for award year 2022–  
20 2023 shall be \$2,535.

21 **SEC. 5. PROVIDING INCREASED FEDERAL PELL GRANTS**  
22 **AND OTHER ASSISTANCE FOR RECIPIENTS**  
23 **OF MEANS-TESTED BENEFITS.**

24 (a) INCREASED AMOUNT OF MAXIMUM FEDERAL  
25 PELL GRANTS FOR STUDENTS WITH NEGATIVE STU-

1 DENT AID INDEXES.—Section 401(b)(1) (20 U.S.C.  
2 1070a(b)(1)), as amended by section 4 and section 703  
3 of the FAFSA Simplification Act, is further amended—

4 (1) in subparagraph (A)—

5 (A) in the matter preceding clause (i), by  
6 striking “A student” and inserting “Except in  
7 the case of a student with a student aid index  
8 of less than zero, a student”;

9 (B) by striking clause (i); and

10 (C) by redesignating clauses (ii) and (iii)  
11 as clauses (i) and (ii), respectively;

12 (2) by redesignating subparagraphs (B)  
13 through (E) as subparagraphs (C) through (F), re-  
14 spectively;

15 (3) by inserting after subparagraph (A) the fol-  
16 lowing:

17 “(B) A student with a student aid index of  
18 less than zero shall receive a Federal Pell Grant  
19 award that exceeds the total maximum Federal  
20 Pell Grant by an amount equal to the amount  
21 by which the student’s student aid index is less  
22 than zero.”;

23 (4) in subparagraph (C), as redesignated by  
24 paragraph (2)—

1 (A) in the matter preceding clause (i), by  
2 striking “subparagraph (A) for an academic  
3 year,” and inserting “subparagraph (A), or an  
4 increased Federal Pell Grant under subpara-  
5 graph (B), for an academic year;” and

6 (B) in clause (ii), by striking “, except that  
7 a student aid index of less than zero shall be  
8 considered to be zero for the purposes of this  
9 clause”;

10 (5) in subparagraph (D), as redesignated by  
11 paragraph (2), by striking “(A) or (B)” and insert-  
12 ing “(A), (B), or (C)”;

13 (6) in subparagraph (E), as redesignated by  
14 paragraph (2), by inserting “or an increased Federal  
15 Pell Grant under subparagraph (B)” after “subpara-  
16 graph (A)”;

17 (7) in subparagraph (F), as redesignated by  
18 paragraph (2), by striking “or a minimum Federal  
19 Pell Grant under subparagraph (C)” and inserting  
20 “an increased Federal Pell Grant under subpara-  
21 graph (B), or a minimum Federal Pell Grant under  
22 subparagraph (D)”.

23 (b) SPECIAL STUDENT AID INDEX RULE FOR RE-  
24 CIPIENTS OF MEANS-TESTED BENEFITS.—Section 473  
25 (20 U.S.C. 1087mm), as amended by section 702(b) of

1 the FAFSA Simplification Act, is further amended by  
2 adding at the end the following:

3 “(d) SPECIAL RULE FOR MEANS-TESTED BENEFIT  
4 RECIPIENTS.—Notwithstanding subsection (b), for an ap-  
5 plicant (or, as applicable, an applicant and spouse, or an  
6 applicant’s parents) who, at any time during the previous  
7 24-month period, received a benefit under a means-tested  
8 Federal benefit program (or whose parent or spouse re-  
9 ceived such a benefit, as applicable), the Secretary shall  
10 for the purposes of this title consider the student aid index  
11 as equal to –\$1,500 for the applicant.”.

12 **SEC. 6. FEDERAL PELL GRANT ELIGIBILITY FOR DREAMER**  
13 **STUDENTS.**

14 Section 484 (20 U.S.C. 1091), as amended by section  
15 702(n) of the FAFSA Simplification Act, is further  
16 amended—

17 (1) in subsection (a)(5), by inserting “, or be a  
18 Dreamer student, as defined in subsection (u)” after  
19 “becoming a citizen or permanent resident”; and

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

21 “(u) DREAMER STUDENTS.—

22 “(1) IN GENERAL.—In this section, the term  
23 ‘Dreamer student’ means an individual who—

24 “(A)(i) is not a citizen or national of the  
25 United States; and

1           “(ii) is inadmissible or deportable under  
2           the Immigration and Nationality Act (8 U.S.C.  
3           1101 et seq.); and

4           “(B)(i) in the case of such an individual  
5           who was younger than 18 years of age on the  
6           date on which the individual initially entered  
7           the United States—

8                   “(I) has earned a high school diploma,  
9                   the recognized equivalent of such diploma  
10                  from a secondary school, or a high school  
11                  equivalency diploma recognized by State  
12                  law, or is scheduled to complete the re-  
13                  quirements for such a diploma or equiva-  
14                  lent before the next academic year begins;

15                  “(II) is enrolled at an institution of  
16                  higher education pursuant to subsection  
17                  (d);

18                  “(III) has served in the uniformed  
19                  services (as such term is defined in section  
20                  101 of title 10, United States Code) for  
21                  not less than 2 years and, if discharged,  
22                  received an honorable discharge;

23                  “(IV) has acquired a degree, certifi-  
24                  cate, or recognized postsecondary creden-  
25                  tial from an institution of higher education

1 or area career and technical education  
2 school (as such term is defined in section  
3 of the Carl D. Perkins Career and Tech-  
4 nical Education Act of 2006 (20 U.S.C.  
5 2302)); or

6 “(V) has completed not less than 2  
7 years in a postsecondary program at an in-  
8 stitution of higher education, or area ca-  
9 reer and technical education school, in the  
10 United States and has made satisfactory  
11 academic progress, as defined in subsection  
12 (c), during such time period; or

13 “(ii)(I) is, or at any time was, eligible for  
14 a grant of deferred action pursuant to—

15 “(aa) the memorandum of the De-  
16 partment of Homeland Security entitled  
17 ‘Exercising Prosecutorial Discretion with  
18 Respect to Individuals Who Came to the  
19 United States as Children’ issued on June  
20 15, 2012; or

21 “(bb) the memorandum of the De-  
22 partment of Homeland Security entitled  
23 ‘Exercising Prosecutorial Discretion with  
24 Respect to Individuals Who Came to the  
25 United States as Children and with Re-

1           spect to Certain Individuals Who Are the  
2           Parents of U.S. Citizens or Permanent  
3           Residents’ issued on November 20, 2014;  
4           or

5           “(II) would have been eligible for such a  
6           grant of deferred action if the applicable memo-  
7           randum described in subclause (I) had been  
8           fully in effect since the date on which it was  
9           issued.

10          “(2) HARDSHIP EXCEPTION.—The Secretary  
11          shall issue regulations that direct when the Depart-  
12          ment shall waive the age requirement of paragraph  
13          (1)(B)(i) for an individual to qualify as a Dreamer  
14          student under such paragraph, if the individual dem-  
15          onstrates compelling circumstances.”.

16 **SEC. 7. PROVIDING FEDERAL PELL GRANTS FOR DEPEND-**  
17 **ENTS OF FALLEN HEROES.**

18          (a) IN GENERAL.—Part A of title IV (20 U.S.C.  
19 1070 et seq.), as amended by section 703 of the FAFSA  
20 Simplification Act, is amended—

21                 (1) in section 401—

22                         (A) in subsection (c)—

23                                 (i) in paragraph (2)—

24   (I) by striking subparagraph (A);

25   and

1 (II) by redesignating subpara-  
2 graphs (B) and (C) as subparagraphs  
3 (A) and (B), respectively;

4 (ii) in paragraph (3), by striking  
5 “(2)(B)(i)” and inserting “(2)(A)(i)”;

6 (iii) by redesignating paragraph (5) as  
7 paragraph (7); and

8 (iv) by inserting after paragraph (4)  
9 the following:

10 “(5) PREVENTION OF DOUBLE BENEFITS.—No  
11 eligible student described in paragraph (2) may re-  
12 ceive a grant under both this subsection and sub-  
13 section (b) concurrently.

14 “(6) TERMS AND CONDITIONS.—The Secretary  
15 shall award grants under this subsection in the same  
16 manner and with the same terms and conditions, in-  
17 cluding the length of the period of eligibility, as the  
18 Secretary awards Federal Pell Grants under sub-  
19 section (b), except that—

20 “(A) the award rules and determination of  
21 need applicable to the calculation of Federal  
22 Pell Grants under subsection (b)(1) shall not  
23 apply to grants made under this subsection; and

24 “(B) the maximum period determined  
25 under subsection (d)(5) shall be determined by

1 including all grants made under this section re-  
2 ceived by the eligible student and all grants so  
3 received under subpart 10 before the effective  
4 date of this subsection.”; and  
5 (2) by striking subpart 10 of part A (20 U.S.C.  
6 1070h).

7 (b) TRANSITION.—The Secretary shall take such  
8 steps as are necessary to transition from the Iraq and Af-  
9 ghanistan Service Grants program under subpart 10 of  
10 part A of title IV of the Higher Education Act of 1965  
11 (20 U.S.C. 1070h), as in effect on the day before the effec-  
12 tive date of this section, and the provision of Federal Pell  
13 Grants under section 401(c) of the Higher Education Act  
14 of 1965 (20 U.S.C. 1070a(c)), as amended by the FAFSA  
15 Simplification Act and this section.

16 **SEC. 8. RESTORING THE TOTAL SEMESTERS OF FEDERAL**  
17 **PELL GRANT ELIGIBILITY.**

18 Section 401(c)(5)(A), as added by section 703 of the  
19 FAFSA Simplification Act, is amended by striking “12”  
20 each place the term appears and inserting “18”.

21 **SEC. 9. REDUCING FINANCIAL AID PENALTIES FROM SATIS-**  
22 **FACTORY ACADEMIC PROGRESS DETERMINA-**  
23 **TIONS.**

24 Section 484(c) of the Higher Education Act of 1965  
25 (20 U.S.C. 1091(c)) is amended to read as follows:

1 “(c) SATISFACTORY PROGRESS.—

2 “(1) DEFINITIONS.—In this subsection:

3 “(A) APPEAL.—The term ‘appeal’ means a  
4 process by which a student who is not meeting  
5 the institution’s satisfactory academic progress  
6 standards petitions the institution for reconsid-  
7 eration of the student’s eligibility for assistance  
8 under this title.

9 “(B) FINANCIAL AID PROBATION.—The  
10 term ‘financial aid probation’ means a status  
11 assigned by an institution to a student who fails  
12 to make satisfactory academic progress and  
13 who has appealed and has had eligibility for aid  
14 reinstated.

15 “(C) FINANCIAL AID WARNING.—The term  
16 ‘financial aid warning’ means a status assigned  
17 to a student who fails to make satisfactory aca-  
18 demic progress at the end of the semester or  
19 equivalent period in which the student first fails  
20 to make such progress.

21 “(D) PAYMENT PERIOD.—The term ‘pay-  
22 ment period’ means the applicable payment pe-  
23 riod described in section 668.4 of title 34, Code  
24 of Federal Regulations, or any successor regula-  
25 tion.

1           “(2) SATISFACTORY ACADEMIC PROGRESS POL-  
2           ICY.—An institution shall establish a reasonable sat-  
3           isfactory academic progress policy for determining  
4           whether an otherwise eligible student is making sat-  
5           isfactory academic progress in the student’s edu-  
6           cational program and may receive assistance under  
7           this title. The Secretary shall consider the institu-  
8           tion’s policy to be reasonable if—

9                   “(A) the policy is at least as strict as the  
10                  policy the institution applies to a student who  
11                  is not receiving assistance under this title;

12                  “(B) the policy provides for consistent ap-  
13                  plication of standards to all students, including  
14                  full-time, part-time, undergraduate, and grad-  
15                  uate students, and all educational programs es-  
16                  tablished by the institution;

17                  “(C)(i) the policy specifies the grade point  
18                  average that a student must achieve at each  
19                  evaluation, or if a grade point average is not an  
20                  appropriate qualitative measure, a comparable  
21                  assessment measured against a norm; and

22                  “(ii) if a student is enrolled in an edu-  
23                  cational program of more than 2 academic  
24                  years, the policy specifies that at the end of the  
25                  second academic year, the student must have a

1 grade point average of at least a ‘C’ or its  
2 equivalent, or have academic standing con-  
3 sistent with the institution’s requirements for  
4 graduation;

5 “(D) the policy provides for measurement  
6 of the student’s progress at each evaluation;

7 “(E) the policy describes—

8 “(i) how a student’s grade point aver-  
9 age and the pace at which the student pro-  
10 gresses toward completion are affected by  
11 course incompletes, withdrawals, or repeti-  
12 tions, or transfers of credit from other in-  
13 stitutions, including that credit hours from  
14 another institution that are accepted to-  
15 ward the student’s educational program  
16 are counted as both attempted and com-  
17 pleted hours; and

18 “(ii) how after a student reenrolls  
19 after the student’s satisfactory academic  
20 progress was reset pursuant to paragraph  
21 (3)(B), the student may have any credits  
22 that were earned before the student was  
23 determined not to be making satisfactory  
24 academic progress counted for purposes of  
25 determining progress when the student re-

1 enrolls, but any attempted hours that were  
2 not earned by the student (including in-  
3 completes, withdrawn courses, and failed  
4 courses) before the student was determined  
5 not to be making satisfactory academic  
6 progress will not negatively impact the de-  
7 termination of whether the student made  
8 satisfactory academic progress after such  
9 reset;

10 “(F) the policy provides that, except as  
11 provided in subparagraph (G) with respect to a  
12 student placed on financial aid warning or fi-  
13 nancial aid probation and paragraph (3), a stu-  
14 dent is no longer eligible to receive assistance  
15 under this title if the student has not achieved  
16 the required grade point average or who is not  
17 making progress toward completion in the stu-  
18 dent’s educational program—

19 “(i) at the time of each evaluation  
20 with respect to a student who is in an edu-  
21 cational program of 2 academic years or  
22 less in length; or

23 “(ii) at the end of the second aca-  
24 demic year with respect to a student who

1 is in an educational program of more than  
2 2 academic years in length;

3 “(G) the policy describes when students  
4 will be placed on financial aid warning or finan-  
5 cial aid probation, in accordance with para-  
6 graph (4), and provides that—

7 “(i) a student on financial aid warn-  
8 ing—

9 “(I) may receive assistance under  
10 the this title for one payment period  
11 despite a determination that the stu-  
12 dent is not making satisfactory aca-  
13 demic progress; and

14 “(II) may be assigned such sta-  
15 tus without an appeal or other action  
16 by the student; and

17 “(ii)(I) a student on financial aid pro-  
18 bation may receive assistance under this  
19 title for one payment period and the insti-  
20 tution may require the student to fulfill  
21 specific terms and conditions, such as tak-  
22 ing a reduced course load or enrolling in  
23 specific courses; and

24 “(II) at the end of such one payment  
25 period, the student is required to meet the

1 institution's satisfactory academic progress  
2 standards, or meet the requirements of the  
3 academic plan developed by the institution  
4 and the student, in order to qualify for  
5 continued assistance under this title;

6 “(H) if the institution permits a student to  
7 appeal a determination by the institution that  
8 the student is not making satisfactory academic  
9 progress, the policy describes—

10 “(i) how the student may reestablish  
11 the student's eligibility to receive assist-  
12 ance under this title;

13 “(ii) the basis on which the student  
14 may file an appeal, including because of  
15 the death of a relative, an injury or illness  
16 of the student, or another special cir-  
17 cumstance; and

18 “(iii) information the student is re-  
19 quired to submit regarding why the stu-  
20 dent failed to make satisfactory academic  
21 progress, and what has changed in the stu-  
22 dent's situation that will allow the student  
23 to demonstrate satisfactory academic  
24 progress at the next evaluation;

1           “(I) if the institution does not permit a  
2 student to appeal a determination by the insti-  
3 tution that the student is not making satisfac-  
4 tory academic progress, the policy describes  
5 how the student may reestablish the student’s  
6 eligibility to receive assistance under this title;

7           “(J) the policy provides for notification to  
8 students of the results of an evaluation that im-  
9 pacts the student’s eligibility for assistance  
10 under this title; and

11           “(K) the policy does not impose satisfac-  
12 tory progress limitations on need-based institu-  
13 tional aid that are more stringent than the  
14 standard applied under this subsection without  
15 demonstrating to the Secretary the effectiveness  
16 of such limitations on improving student per-  
17 sistence in, and completion of, postsecondary  
18 study.

19           “(3) REGAINING ELIGIBILITY.—

20           “(A) STUDENTS WHO REMAIN IN  
21 SCHOOL.—Whenever a student fails to meet the  
22 eligibility requirements of subsection (a)(2) as a  
23 result of the application of this subsection and,  
24 subsequent to that failure, the student has aca-  
25 demic standing for any grading period con-

1           sistent with the requirements for staying on  
2           track to graduate within 150 percent of the  
3           published length of the educational program, as  
4           determined by the institution, the student shall  
5           again be eligible under subsection (a)(2) for a  
6           grant, loan, or work assistance under this title,  
7           as long as the student maintains satisfactory  
8           academic progress under paragraph (2) begin-  
9           ning on and after the date that the student re-  
10          gains eligibility.

11           “(B) STUDENTS WHO LEAVE SCHOOL.—

12           “(i) IN GENERAL.—If a student has  
13           not been enrolled in any institution of  
14           higher education for the immediately pre-  
15           ceding 2 years, any previous failure to  
16           meet the eligibility requirements of sub-  
17           section (a)(2) shall not be used in any de-  
18           termination of eligibility of such student  
19           under such subsection. Such student shall,  
20           on the date of enrollment subsequent to  
21           such 2-year period, have the student’s eli-  
22           gibility for a grant, loan, or work assist-  
23           ance under this title reset and be deemed  
24           as meeting the requirements described in  
25           paragraph (2). Beginning on and after

1 such date, the student's satisfactory aca-  
2 demic progress shall be determined in ac-  
3 cordance with paragraph (2)(E)(ii).

4 “(ii) MAXIMUM NUMBER OF  
5 RESETS.—A student shall be eligible for a  
6 reset of eligibility pursuant to this sub-  
7 paragraph not more than 2 times.

8 “(C) DUTIES OF THE SECRETARY.—The  
9 Secretary shall—

10 “(i) send, to each student who failed  
11 to meet the eligibility requirements of sub-  
12 section (a)(2) and who has not regained  
13 eligibility for a grant, loan, or work assist-  
14 ance under subparagraph (A), a notice,  
15 two years after such failure, that in-  
16 cludes—

17 “(I) a notification that, if the  
18 student has not been enrolled in any  
19 institution of higher education for the  
20 preceding two years and has not re-  
21 ceived two resets of eligibility under  
22 subparagraph (B), the student may  
23 use grant, loan, or work assistance  
24 under this title for enrollment at any  
25 eligible institution, including an insti-

1                   tution other than the institution in  
2                   which the student was previously en-  
3                   rolled;

4                   “(II) a notification that, if the  
5                   student has remained enrolled, or re-  
6                   sumed enrollment, at an institution of  
7                   higher education, the student may be  
8                   eligible for a grant, loan, or work as-  
9                   sistance under this title subject to the  
10                  requirements of subparagraph (A);

11                  “(III) information on how many  
12                  semesters of eligibility for a grant,  
13                  loan, or work assistance under this  
14                  title to which the student still has ac-  
15                  cess; and

16                  “(IV) a notification that the stu-  
17                  dent should ask any prospective eligi-  
18                  ble institution how many of the stu-  
19                  dent’s previously completed credits the  
20                  student would be able to transfer; and

21                  “(ii) submit an annual report to Con-  
22                  gress on the outcomes of students who  
23                  have received a reset of eligibility pursuant  
24                  to this paragraph, including—

1                   “(I) the number of students who  
2                   reenroll in an eligible institution after  
3                   such reset, disaggregated by race or  
4                   ethnicity, sex, age, socioeconomic sta-  
5                   tus, and disability status;

6                   “(II) the 250 eligible institutions  
7                   with the highest numbers of enrolled  
8                   students receiving grant, loan, or  
9                   work assistance under this title after  
10                  such a reset;

11                  “(III) the 250 eligible institu-  
12                  tions with the highest share of en-  
13                  rolled students receiving grant, loan,  
14                  or work assistance under this title  
15                  after such a reset; and

16                  “(IV) the average completion  
17                  rate and time to completion for stu-  
18                  dents who reenroll in an eligible insti-  
19                  tution after such reset, disaggregated  
20                  by institution.

21                  “(4) EVALUATION OF ACADEMIC PROGRESS.—

22                  “(A) IN GENERAL.—An institution that  
23                  determines that a student is not making satis-  
24                  factory academic progress under its policy may  
25                  disburse funds provided through student finan-

1           cial assistance programs under this title (in-  
2           cluding work-study programs under subtitle C)  
3           to the student in accordance with subpara-  
4           graphs (B), (C), and (D).

5           “(B) PAYMENT PERIOD FOLLOWING NOT  
6           MAKING SATISFACTORY ACADEMIC PROGRESS.—  
7           For the payment period following the payment  
8           period in which a student did not make satis-  
9           factory academic progress, the institution shall  
10          place the student on financial aid warning and  
11          disburse funds under this title to the student.

12          “(C) PAYMENT PERIOD FOLLOWING FI-  
13          NANCIAL AID WARNING.—For the payment pe-  
14          riod following a payment period during which a  
15          student was on financial aid warning, the insti-  
16          tution may place the student on financial aid  
17          probation, and disburse funds under this title to  
18          the student if—

19                 “(i) the institution evaluates the stu-  
20                 dent’s progress and determines that stu-  
21                 dent did not make satisfactory academic  
22                 progress during the payment period the  
23                 student was on financial aid warning;

24                 “(ii) the student appeals the deter-  
25                 mination; and

1                   “(iii)(I) the institution determines  
2                   that the student should be able to meet the  
3                   institution’s satisfactory academic progress  
4                   standards by the end of the subsequent  
5                   payment period; or

6                   “(II) the institution develops an aca-  
7                   demic plan for the student that, if fol-  
8                   lowed, will ensure that the student is able  
9                   to meet the institution’s satisfactory aca-  
10                  demic progress standards by a specific  
11                  point in time.

12                  “(D) PAYMENT PERIOD FOLLOWING FI-  
13                  NANCIAL AID PROBATION.—A student on finan-  
14                  cial aid probation for a payment period may not  
15                  receive funds under this title for the subsequent  
16                  payment period unless the student makes satis-  
17                  factory academic progress or the institution de-  
18                  termines that the student met the requirements  
19                  specified by the institution in the academic plan  
20                  for the student developed under subparagraph  
21                  (C)(iii)(II).

22                  “(E) FREQUENCY OF ACADEMIC PROGRESS  
23                  EVALUATION AND COMMUNICATION.—

24                  “(i) IN GENERAL.—Subject to clause  
25                  (ii), for the purpose of determining wheth-

1 er presently enrolled students are main-  
2 taining satisfactory progress, each institu-  
3 tion of higher education that enrolls stu-  
4 dents who receive any grant, loan, or work  
5 assistance under this title shall review the  
6 progress of such students at the end of  
7 each payment period.

8 “(ii) SHORTER PAYMENT PERIODS.—  
9 For each institution described in clause (i)  
10 that has payment periods that are shorter  
11 than on the semester system basis (such as  
12 on a quarterly or trimester system basis or  
13 by clock hour program or non-term pro-  
14 gram), such institution shall review the  
15 progress of presently enrolled students at  
16 the end of each semester or equivalent pe-  
17 riod of 12 to 18 weeks.

18 “(iii) FINANCIAL AID WARNING.—At  
19 the end of each payment period (or, in the  
20 case of an institution described in clause  
21 (ii), at the end of each semester or equiva-  
22 lent period), each institution shall send a  
23 financial aid warning to presently enrolled  
24 students that do not meet the grade point  
25 average requirement described in para-

1 graph (2), or its equivalent or academic  
2 standing consistent with the requirements  
3 for graduation, as determined by the insti-  
4 tution, that informs the students of their  
5 risk of being determined to not be main-  
6 taining satisfactory progress and therefore  
7 losing eligibility for grant, loan, or work  
8 assistance under this title and provides in-  
9 formation on—

10 “(I) the specific criteria of the in-  
11 stitution’s academic requirements that  
12 the student is not meeting and the  
13 specific improvements needed to meet  
14 the requirements; and

15 “(II) how to meet with the stu-  
16 dent’s academic advisor to get the  
17 academic support the student needs.

18 “(5) DETAILING REQUIREMENTS TO STU-  
19 DENTS.—Each institution of higher education that  
20 enrolls students who receive any grant, loan, or work  
21 assistance under this title shall detail the institu-  
22 tion’s requirements regarding students maintaining  
23 satisfactory academic progress—

24 “(A) to such students before the students  
25 begin classes at the institution through a de-

1           tailed communication that may be separate  
2           from a financial aid offer; and

3           “(B) on the financial aid webpage of the  
4           website of the institution.

5           “(6) CONSUMER TESTING.—The Secretary—

6           “(A) shall conduct consumer testing to de-  
7           velop exemplary practices and templates—

8                   “(i) to support institutions of higher  
9                   education in carrying out paragraph (5);  
10                  and

11                   “(ii) which shall be available as re-  
12                   sources for institutions of higher edu-  
13                   cation; and

14           “(B) shall not require the use of such  
15           practices and templates by institutions of high-  
16           er education.”.

17 **SEC. 10. CONFORMING AMENDMENTS.**

18           The Act (20 U.S.C. 1001 et seq.) is amended—

19           (1) in section 401A(d)(1)(B)(i) (20 U.S.C.  
20           1070a–1(d)(1)(B)(i)), by striking “section  
21           401(b)(2)(B)” and inserting “section 401(b)(2)”;

22           (2) in section 402D(d)(1) (20 U.S.C. 1070a–  
23           14(d)(1))—

24                   (A) by striking “section 401(b)(2)(A)” and  
25                   inserting “section 401(b)(1)”; and

1 (B) by striking “described in section  
2 401(b)(4)” and inserting “as defined in section  
3 401(a)”;

4 (3) in section 435(a)(5)(A)(i)(I) (20 U.S.C.  
5 1085(a)(5)(A)(i)(I)), by striking “under section  
6 401(b)(2)(A)” and inserting “, as appropriate,  
7 under section 401(b)(2)(A) (as in effect on the day  
8 before the effective date under section 701(b) of the  
9 FAFSA Simplification Act (title VII of division FF  
10 of Public Law 116–260)) or section 401(b)(1)”;

11 (4) in section 485E(b)(1)(A) (20 U.S.C.  
12 1092f(b)(1)(A)), by striking “section 401(b)(2)(A)”  
13 and inserting “section 401(b)(1)”; and

14 (5) in section 894(f)(2)(C)(ii)(I) (20 U.S.C.  
15 1161y(f)(2)(C)(ii)(I)), by striking “section  
16 401(b)(2)(A)” and inserting “section 401(b)(1)”.

17 **SEC. 11. EFFECTIVE DATE.**

18 Except as otherwise provided, the amendments made  
19 by this Act shall take effect and apply as if included in  
20 section 703 of the FAFSA Simplification Act and in ac-  
21 cordance with section 701(b) of such Act.