

119TH CONGRESS
1ST SESSION

H. R. 3543

To amend the Higher Education Act of 1965 to ensure College for the
Higher Education Act of 1965 to ensure College for All.

IN THE HOUSE OF REPRESENTATIVES

MAY 21, 2025

Ms. JAYAPAL (for herself, Ms. BALINT, Mr. CASAR, Mr. GARCÍA of Illinois, Ms. CLARKE of New York, Ms. DEAN of Pennsylvania, Mr. FIELDS, Mrs. FOUSHEE, Mr. FROST, Mr. GARAMENDI, Mr. KHANNA, Ms. LEE of Pennsylvania, Mr. MAGAZINER, Mr. MCGARVEY, Mr. NADLER, Ms. NORTON, Ms. OCASIO-CORTEZ, Mr. PALLONE, Ms. PINGREE, Mr. POCAN, Mrs. RAMIREZ, Mr. TORRES of New York, Mr. TAKANO, Mr. THANEDAR, Ms. TLAIB, Mr. VARGAS, and Ms. WILLIAMS of Georgia) introduced the following bill; which was referred to the Committee on Education and Workforce, and in addition to the Committees on Ways and Means, and the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Higher Education Act of 1965 to ensure
College for the Higher Education Act of 1965 to ensure
College for All.

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 “College for All Act
5 of 2025”.

1 SEC. 2. TABLE OF CONTENTS.

2 The table of contents for this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

**TITLE I—FEDERAL-STATE PARTNERSHIP TO FULLY ELIMINATE
TUITION AND REQUIRED FEES**

Sec. 101. Federal-state partnership to fully eliminate tuition and required fees.

**TITLE II—GRANT PROGRAM TO ELIMINATE TUITION AND FEES
FOR ELIGIBLE STUDENTS AT PRIVATE NONPROFIT HISTORI-
CALLY BLACK COLLEGES AND UNIVERSITIES AND MINORITY-
SERVING INSTITUTIONS**

Sec. 201. Grant program to eliminate tuition and fees for eligible students at
private nonprofit historically Black colleges and universities
and minority-serving institutions.

Sec. 202. Northern Mariana Islands, American Samoa, United States Virgin Is-
lands, Guam, and Freely Associated States college access.

TITLE III—FEDERAL PELL GRANT IMPROVEMENTS

Sec. 301. Federal Pell Grant improvements.

TITLE IV—INCLUSIVE STUDENT SUCCESS GRANTS

Sec. 401. Inclusive student success grants.

TITLE V—INCREASING SUPPORT FOR STUDENTS

Sec. 501. Increasing success for low-income and first generation students.

**TITLE VI—INVESTMENTS IN HISTORICALLY BLACK COLLEGES
AND UNIVERSITIES, TRIBAL COLLEGES OR UNIVERSITIES, AND
OTHER MINORITY-SERVING INSTITUTIONS**

Sec. 601. Appropriations for historically Black colleges and universities, Tribal
colleges and universities, and minority-serving institutions.

TITLE VII—SNYDER ACT

Sec. 701. Rule of construction regarding the Snyder Act.

1 **TITLE I—FEDERAL-STATE PART-**
 2 **NERSHIP TO FULLY ELIMI-**
 3 **NATE TUITION AND RE-**
 4 **QUIRED FEES**

5 **SEC. 101. FEDERAL-STATE PARTNERSHIP TO FULLY ELIMI-**
 6 **NATE TUITION AND REQUIRED FEES.**

7 Title VII of the Higher Education Act of 1965 (20
 8 U.S.C. 1133 et seq.) is amended by adding at the end
 9 the following:

10 **“PART F—COLLEGE FOR ALL**

11 **“Subpart 1—Grants for Tuition-Free Public College**

12 **“SEC. 783. PURPOSE.**

13 “The purpose of this subpart is to establish a Fed-
 14 eral-State partnership with States and Tribal Colleges and
 15 Universities to provide for the elimination of tuition and
 16 required fees for eligible students.

17 **“SEC. 784. DEFINITIONS.**

18 “In this subpart:

19 “(1) AWARD YEAR.—The term ‘award year’ has
 20 the meaning given the term in section 481(a).

21 “(2) COMMUNITY COLLEGE.—

22 “(A) IN GENERAL.—The term ‘community
 23 college’ means—

24 “(i) a public institution of higher edu-
 25 cation at which—

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

3 “(II) an associate degree is the
4 most frequently awarded degree;

5 “(ii) a public postsecondary vocational
6 institution, as defined under section
7 102(c); or

8 “(iii) at the designation of the Sec-
9 retary, in the case of a State in which
10 there is no community college operated or
11 controlled by the State that meets a defini-
12 tion under clause (i) or (ii), a college or
13 similarly defined and structured academic
14 entity—

15 “(I) that was in existence on
16 July 1, 2025;

17 “(II) within a public 4-year insti-
18 tution of higher education; and

19 “(III) at which—

20 “(aa) the highest degree
21 awarded is an associate degree;
22 or

23 “(bb) an associate degree is
24 the most frequently awarded de-
25 gree.

1 “(B) COMMUNITY COLLEGES OPERATED
2 OR CONTROLLED BY A STATE TO INCLUDE COM-
3 MUNITY COLLEGES OPERATED OR CONTROLLED
4 BY LOCAL GOVERNMENTS WITHIN THE
5 STATE.—The terms ‘community college oper-
6 ated or controlled by a State’ and ‘community
7 college operated or controlled by the State’ in-
8 cludes a community college operated or con-
9 trolled by a local government within such State.

10 “(3) COST OF ATTENDANCE.—The term ‘cost of
11 attendance’ has the meaning given the term in sec-
12 tion 472.

13 “(4) DUAL OR CONCURRENT ENROLLMENT
14 PROGRAM.—The term ‘dual or concurrent enrollment
15 program’ has the meaning given the term in section
16 8101 of the Elementary and Secondary Education
17 Act of 1965.

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

22 “(6) ELIGIBLE STUDENT.—

23 “(A) IN GENERAL.—The term ‘eligible stu-
24 dent’ means an individual, regardless of age or

1 immigration status, who has not obtained a
2 baccalaureate degree or higher degree and—

3 “(i) in the case of a student enrolled
4 in a community college or a 2-year Tribal
5 College or University—

6 “(I) is enrolled, or plans to en-
7 roll, as an undergraduate student in
8 an eligible program (as defined in sec-
9 tion 481(b)) at a community college in
10 the State in which the individual is a
11 resident or in a 2-year Tribal College
12 or University;

13 “(II) and who is enrolled in a
14 community college that charges dif-
15 ferent tuition rates on the basis on
16 residency, either—

17 “(aa) qualifies for in-State
18 resident tuition at such commu-
19 nity college; or

20 “(bb) would qualify for such
21 in-State resident tuition at such
22 community college, but for the
23 student’s immigration status;

1 “(III) is not enrolled in a dual or
2 concurrent enrollment program or an
3 early college high school; and

4 “(IV) who is eligible to complete
5 the Free Application for Federal Stu-
6 dent Aid under section 483(a), has
7 filed such application for the applica-
8 ble award year for which the student
9 is enrolled; or

10 “(ii) in the case of a student enrolled
11 in an eligible 4-year institution of higher
12 education—

13 “(I) is enrolled, or plans to en-
14 roll, as an undergraduate student in
15 an eligible program (as defined in sec-
16 tion 481(b)) at a public 4-year institu-
17 tion of higher education or in a 4-year
18 Tribal College or University;

19 “(II) is a working class or middle
20 class student, as described in section
21 787(a)(3);

22 “(III) who is enrolled in a public
23 4-year institution of higher education
24 that charges different tuition rates
25 based on residency, either—

1 “(aa) qualifies for in-State
2 resident tuition at such institu-
3 tion; or

4 “(bb) would qualify for such
5 in-State resident tuition at such
6 institution, but for the student’s
7 immigration status;

8 “(IV) is not enrolled in a dual or
9 concurrent enrollment program or an
10 early college high school; and

11 “(V) who is eligible to complete
12 the Free Application for Federal Stu-
13 dent Aid under section 483(a), has
14 filed such application for the applica-
15 ble award year for which the student
16 is enrolled.

17 “(B) RULE OF CONSTRUCTION.—For pur-
18 poses of subparagraph (A), in-State resident
19 tuition includes in-district tuition and out-of-
20 district in-State tuition.

21 “(7) 4-YEAR TRIBAL COLLEGE OR UNIVER-
22 SITY.—The term ‘4-year Tribal College or Univer-
23 sity’ means a Tribal College or University that is not
24 a 2-year Tribal College or University.

1 “(8) FULL-TIME EQUIVALENT STUDENTS.—The
2 term ‘full-time equivalent students’ means the sum
3 of the number of students enrolled full time at an
4 institution, plus the full-time equivalent of the num-
5 ber of students enrolled part time (determined on
6 the basis of the quotient of the sum of the credit
7 hours of all part-time students divided by 12) at
8 such institution.

9 “(9) INSTITUTION OF HIGHER EDUCATION.—
10 The term ‘institution of higher education’ has the
11 meaning given the term in section 101(a).

12 “(10) NET PRICE.—The term ‘net price’ means
13 the difference between cost of attendance and the
14 sum of only grants and institutional and State schol-
15 arships.

16 “(11) PUBLIC 4-YEAR INSTITUTION OF HIGHER
17 EDUCATION.—The term ‘public 4-year institution of
18 higher education’ means a public institution of high-
19 er education that is not a community college.

20 “(12) REVERSE TRANSFER POLICY.—The term
21 ‘reverse transfer policy’ means a policy or program
22 that allows an institution of higher education to—

23 “(A) implement a process of retroactively
24 granting a certificate or associate degree to a
25 student who had not completed the require-

1 ments for such certificate or degree before the
2 student transferred; or

3 “(B) allow academic credits for coursework
4 completed at a 4-year institution of higher edu-
5 cation to be applied to a previously attended
6 community college for the purpose of obtaining
7 an associate degree or a certificate.

8 “(13) STATE FISCAL SUPPORT FOR HIGHER
9 EDUCATION.—

10 “(A) INCLUSIONS.—

11 “(i) IN GENERAL.—Except as pro-
12 vided in subparagraph (B), the term ‘State
13 fiscal support for higher education’, used
14 with respect to a State for such State’s fis-
15 cal year, means an amount that is equal
16 to—

17 “(I) the amount of applicable
18 State funds appropriated by the
19 State, including funds from lottery re-
20 ceipts, in the fiscal year, that are used
21 to support institutions of higher edu-
22 cation and student financial aid for
23 higher education in the State; and

24 “(II) any funds described in
25 clause (ii), if applicable.

1 “(ii) LOCAL FUNDS.—In the case of a
2 State that includes, as part of the State
3 share under section 786(b)(2)(B) for an
4 award year, funds provided to community
5 colleges by local governments in such State
6 for the purpose of carrying out this sub-
7 part, local funds provided to community
8 colleges operated or controlled by the State
9 for operating expenses (excluding capital
10 expenses, research and development costs,
11 and local funds that are included in the
12 State share under section 786(b)(2)(B))
13 shall be included in the calculation of the
14 State fiscal support for higher education
15 under clause (i).

16 “(B) EXCLUSIONS.—State fiscal support
17 for higher education for a State fiscal year does
18 not include—

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

21 “(ii) State-appropriated funds derived
22 from Federal sources, including funds pro-
23 vided under sections 786(a) and 801;

24 “(iii) funds that are included in the
25 State share under section 786(b), except as

1 provided in subparagraph (A)(ii), including
2 funds included in the State share in ac-
3 cordance with paragraph (2)(A) of such
4 section;

5 “(iv) amounts that are portions of
6 multiyear appropriations to be distributed
7 over multiple years that are not to be
8 spent for the year for which the calculation
9 under this paragraph is being made, sub-
10 ject to subparagraph (C);

11 “(v) tuition, fees, or other educational
12 charges paid directly by a student to an in-
13 stitution of higher education or to the
14 State;

15 “(vi) funds for—

16 “(I) financial aid to students at-
17 tending, or operating expenses of—

18 “(aa) out-of-State institu-
19 tions of higher education (includ-
20 ing for the purpose of exclusive
21 online enrollment at an out-of-
22 State institution);

23 “(bb) proprietary institu-
24 tions of higher education (as de-
25 fined in section 102(b)); or

1 “(cc) institutions of higher
2 education not accredited by an
3 agency or association recognized
4 by the Secretary pursuant to sec-
5 tion 496;

6 “(II) financial aid to students
7 awarded predominantly or signifi-
8 cantly on the basis of merit;

9 “(III) research and development;
10 or

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

13 “(vii) corporate or other private dona-
14 tions directed to 1 or more institutions of
15 higher education permitted to be expended
16 by the State; and

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

21 “(C) ADJUSTMENTS FOR BIENNIAL APPRO-
22 PRIATIONS.—The Secretary shall make adjust-
23 ments to the calculations under this paragraph
24 to accurately reflect State fiscal support for

1 higher education in States with 2-year appro-
2 priation cycles.

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

9 “(A) the State fiscal support for higher
10 education for the applicable fiscal year; divided
11 by

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

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

18 “(16) 2-YEAR TRIBAL COLLEGE OR UNIVER-
19 SITY.—The term ‘2-year Tribal College or Univer-
20 sity’ means—

21 “(A) a 2-year Tribal College or University;
22 or

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

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

3 “(ii) at which an associate degree is
4 the most frequently awarded degree.

5 **“SEC. 785. GRANT AWARDS.**

6 “Beginning with award year 2026–2027, from
7 amounts appropriated under section 791 to carry out this
8 subpart for any fiscal year, the Secretary shall award
9 grants to States and Tribal College and Universities with
10 applications approved under section 789, to enable the
11 States and Tribal Colleges and Universities, through a
12 Federal-State partnership, to fully eliminate tuition and
13 required fees for all eligible students.

14 **“SEC. 786. FEDERAL SHARE; STATE SHARE.**

15 “(a) FEDERAL SHARE.—

16 “(1) IN GENERAL.—

17 “(A) AMOUNT.—Subject to paragraph (2),
18 the amount of the Federal share of a grant
19 under this subpart shall be based on a formula
20 that provides, for each eligible student enrolled
21 in a community college operated or controlled
22 by a State, a Tribal College or University, or a
23 public 4-year institution of higher education in
24 a State, a per-student amount (based on full-
25 time equivalent enrollment) that is equal to the

1 applicable percentage described in subpara-
2 graph (B), or the percentage described in para-
3 graph (2) with respect to a Tribal College or
4 University, of—

5 “(i) for the 2026–2027 award year,
6 not less than the sum of the product of
7 \$5,110 multiplied by the number of eligible
8 students enrolled at such a community col-
9 lege or 2-year Tribal College or University
10 and the product of \$11,610 multiplied by
11 the number of eligible students enrolled at
12 such a public 4-year institution of higher
13 education or 4-year Tribal College or Uni-
14 versity; and

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

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

24 “(II) 3 percent.

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

4 “(i) for the 2026–2027 award year,
5 100 percent;

6 “(ii) for the 2027–2028 award year,
7 95 percent;

8 “(iii) for the 2028–2029 award year,
9 90 percent;

10 “(iv) for the 2029–2030 award year,
11 85 percent; and

12 “(v) for the 2030–2031 award year
13 and each subsequent award year, 80 per-
14 cent.

15 “(2) TRIBAL COLLEGES AND UNIVERSITIES.—

16 The amount of the Federal share for a Tribal Col-
17 lege or University receiving a grant under this sub-
18 part shall be the greater of—

19 “(A) 100 percent of the amount deter-
20 mined in accordance with clause (i) or (ii) of
21 subparagraph (1)(A), as applicable, with re-
22 spect to eligible students enrolled in such Tribal
23 College or University; or

24 “(B) the amount that is 100 percent of the
25 total amount needed to fully eliminate tuition

1 and fees for all eligible students enrolled in
2 such Tribal College or University for the 2026–
3 2027 award year, increased by the percentage
4 increase in the Consumer Price Index (as deter-
5 mined by the Secretary) between July 1, 2026,
6 and the applicable award year, and adjusted to
7 reflect the enrollment in such Tribal College or
8 University for such applicable award year.

9 “(b) STATE SHARE.—

10 “(1) FORMULA.—

11 “(A) IN GENERAL.—The amount of the
12 State share of a grant under this subpart for
13 each award year shall be equal to the applicable
14 percent described in subparagraph (B) of the
15 total amount determined under subsection
16 (a)(1)(A) with respect to the State for the
17 award year.

18 “(B) APPLICABLE PERCENT.—The appli-
19 cable percentage shall be—

20 “(i) for the 2026–2027 award year, 0
21 percent;

22 “(ii) for the 2027–2028 award year, 5
23 percent;

24 “(iii) for the 2028–2029 award year,
25 10 percent;

1 “(iv) for the 2029–2030 award year,
2 15 percent; and

3 “(v) for the 2030–2031 award year
4 and each subsequent award year, 20 per-
5 cent.

6 “(C) OBLIGATION TO PROVIDE SHARE.—
7 The State shall provide the State share even if
8 the State is able, without such State share, to
9 fully eliminate tuition and required fees charged
10 to eligible students attending community col-
11 leges operated or controlled by the State or
12 public 4-year institutions of higher education in
13 the State.

14 “(D) NO DOUBLE COUNTING FUNDS.—
15 States shall not count any funds that count to-
16 ward the maintenance of effort requirement in
17 section 787(b) to also count toward the State
18 share under this subsection.

19 “(E) SPECIAL RULE FOR OUTLYING AREAS
20 AND TERRITORIES.—

21 “(i) IN GENERAL.—If the Secretary
22 determines that requiring an outlying area
23 or territory to provide a State share in ac-
24 cordance with this subsection would rep-
25 resent a substantial hardship for the out-

1 lying area or territory, the Secretary shall
2 reduce or waive the State share for such
3 area or territory. If the Secretary so re-
4 duces or waives the amount of the State
5 share of an outlying area or territory, the
6 Secretary shall increase the applicable per-
7 centage used to calculate the Federal share
8 under subsection (a) for such area or terri-
9 tory, in proportion to the reduction in the
10 applicable percentage used to calculate
11 such State share.

12 “(ii) DEFINITION.—In this subpara-
13 graph, the term ‘outlying area or territory’
14 means the Commonwealth of Puerto Rico,
15 the District of Columbia, Guam, American
16 Samoa, the United States Virgin Islands,
17 the Commonwealth of the Northern Mar-
18 iana Islands, and the Freely Associated
19 States.

20 “(2) INCLUSION OF STATE FINANCIAL AID AND
21 LOCAL FUNDS.—In the case of a State that dem-
22 onstrates to the satisfaction of the Secretary that
23 community colleges operated or controlled by the
24 State and 4-year public institutions of higher edu-
25 cation in the State will not experience a net reduc-

tion in total per-student revenue (including revenue derived from tuition and fees) as compared to that revenue for 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 at community colleges operated or controlled by the State and 4-year public institutions of higher education in the State that is not awarded predominantly on the basis of merit; and

“(B) any funds provided to community colleges operated or controlled by the State and 4-year public institutions of higher education in the State by local governments in such State for the purpose of carrying out this subpart, including for the purpose of eliminating tuition and fees for eligible students.

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

“(c) DETERMINATION OF NUMBER OF ELIGIBLE STUDENTS.—

“(1) IN GENERAL.—

1 “(A) DETERMINATION.—For purposes of
2 subsections (a) and (b), the Secretary shall, in
3 consultation with the State or Tribal College or
4 University concerned, determine the estimated
5 number of eligible students enrolled in the com-
6 munity colleges operated or controlled by the
7 State and in the public 4-year institutions of
8 higher education in the State or in such Tribal
9 College or University for the applicable award
10 year.

11 “(B) PROJECTED ENROLLMENT.—If the
12 estimated number of eligible students figure of
13 a State or Tribal College or University under
14 subparagraph (A) is more than 25 percent larg-
15 er than the eligible students figure for the pre-
16 ceding year, the Secretary shall use an alter-
17 native enrollment estimate which shall be used
18 in the formula under subsection (a) for deter-
19 mining the allotment.

20 “(2) ADJUSTMENT OF GRANT AMOUNT.—For
21 each year for which a State or Tribal College or
22 University receives a grant under this subpart, the
23 Secretary shall, once final enrollment data for such
24 year are available—

1 “(A) in consultation with the State or
2 Tribal College or University concerned, deter-
3 mine the actual number of eligible students en-
4 rolled in the community colleges operated or
5 controlled by the State and the public 4-year in-
6 stitutions of higher education in the State or in
7 such Tribal College or University for the year
8 covered by the grant; and

9 “(B) adjust the Federal share of the grant
10 amount received by the State or Tribal College
11 or University and the State share under sub-
12 section (b) to reflect the actual number of eligi-
13 ble students by applying the relevant adjust-
14 ment to such Federal share or the State share,
15 or both, in the subsequent award year.

16 “(3) ADDITIONAL FUNDS.—If a State or Tribal
17 College or University provides additional funds to-
18 ward reducing the cost of attendance and improving
19 instruction beyond the cost of eliminating tuition
20 and required fees as described in paragraphs (2) and
21 (3) of section 787(a) for any award year, and, with
22 respect to a State, such funds amount to more than
23 the State share requirement under subsection (b)
24 and the maintenance of effort requirements in sec-
25 tion 787, the Secretary shall provide the State or

1 Tribal College or University an amount equal to
2 such additional funds provided by the State or Trib-
3 al College or University, which amount provided by
4 the Secretary may be used for the activities de-
5 scribed in section 790.

6 **“SEC. 787. PROGRAM REQUIREMENTS.**

7 “(a) GENERAL REQUIREMENTS.—In order to receive
8 a grant under this subpart in each award year, a State
9 or Tribal College or University shall comply with the fol-
10 lowing:

11 “(1) With respect to a State, ensure that public
12 institutions of higher education in the State main-
13 tain expenditures on instruction per full-time equiva-
14 lent student at levels that are equal to or exceed the
15 expenditures on instruction per full-time equivalent
16 student provided for the 3 most recent consecutive
17 State fiscal years for which data are available.

18 “(2) Ensure that the total amount of tuition
19 and required fees charged to an eligible student—

20 “(A) at community colleges in the State
21 are fully eliminated; or

22 “(B) if the Tribal College or University is
23 a 2-year Tribal College or University, at such
24 Tribal College or University are fully elimi-
25 nated.

1 “(3) Ensure that the total amount of tuition
2 and required fees charged to an eligible student at
3 public 4-year institutions of higher education in the
4 State, or, if the Tribal College or University is a 4-
5 year Tribal College or University, at such Tribal
6 College or University, are fully eliminated as follows:

7 “(A) For award year 2026–2027, the State
8 or Tribal College or University shall fully elimi-
9 nate tuition and required fees for such stu-
10 dents—

11 “(i) who are dependent students—

12 “(I) in a single parent household,
13 whose parent’s adjusted gross income
14 for the taxable year that is 1 year
15 prior to the taxable year that ends im-
16 mediately prior to the beginning of
17 the award year is equal to or less than
18 \$150,000; or

19 “(II) with married parents,
20 whose parents’ adjusted gross income
21 for the taxable year that is 1 year
22 prior to the taxable year that ends im-
23 mediately prior to the beginning of
24 the award year is equal to or less than
25 \$300,000; and

1 “(ii) who are—

2 “(I) single independent students,
3 whose adjusted gross income for the
4 taxable year that is 1 year prior to
5 the taxable year that ends imme-
6 diately prior to the beginning of the
7 award year is equal to or less than
8 \$150,000; or

9 “(II) married independent stu-
10 dents, whose adjusted gross income
11 for the taxable year that is 1 year
12 prior to the taxable year that ends im-
13 mediately prior to the beginning of
14 the award year is equal to or less than
15 \$300,000.

16 “(B) For each award year after award
17 year 2026–2027, the State or a 4-year Tribal
18 College or University shall fully eliminate tui-
19 tion and required fees for such students in ac-
20 cordance with clauses (i) and (ii) of subpara-
21 graph (A), except the gross income amount
22 shall be adjusted for each subsequent year in
23 the same manner as income is adjusted under
24 section 478(b).

1 “(4) Not apply financial assistance for which an
2 eligible student qualifies to tuition or required fees.

3 “(5) Not use any funds provided under this
4 subpart for administrative purposes.

5 “(b) STATE MAINTENANCE OF EFFORT.—In order to
6 receive a grant under this subpart in each award year,
7 a State shall—

8 “(1) provide State fiscal support for higher edu-
9 cation per full-time equivalent student at a level
10 equal to or exceeding the average amount of State
11 fiscal support for higher education per full-time
12 equivalent student provided for the 3 most recent
13 consecutive State fiscal years for which data are
14 available;

15 “(2) maintain State operating expenditures per
16 full-time equivalent student for public 2- and 4-year
17 institutions of higher education in the State, exclud-
18 ing capital expenses and research and development
19 costs, at a level equal to or greater than the average
20 amount provided for the 3 most recent consecutive
21 State fiscal years for which data are available; and

22 “(3) maintain State expenditures for need-
23 based financial aid programs for enrollment in insti-
24 tutions of higher education (as defined in section
25 101) in the State at a level that is equal to or great-

1 er than the average amount provided for the 3 most
2 recent consecutive State fiscal years for which data
3 are available.

4 “(c) REQUIREMENTS OF STATES AND SOME TRIBAL
5 COLLEGES AND UNIVERSITIES.—In order to receive a
6 grant under this subpart in each award year, a State or
7 (when applicable) a Tribal College or University shall—

8 “(1) provide an assurance that not later than 5
9 years after the first award year for which the grant
10 is awarded, not less than 75 percent of instruction
11 at public institutions of higher education in the
12 State is provided by tenure-track or tenured faculty;

13 “(2) provide an assurance that public institu-
14 tions of higher education in the State make it a pri-
15 ority to hire from the existing adjunct, contract, con-
16 tingent, and non-tenure track or tenured faculty
17 pool for tenure-track or tenured faculty positions or
18 other full-time non-contingent instructional posi-
19 tions;

20 “(3) require that public institutions of higher
21 education in the State provide, for each student en-
22 rolled at the institution who receives the maximum
23 Federal Pell Grant award under subpart 1 of part
24 A of title IV, institutional student financial aid (ex-

1 including student loans) in an amount equal to the net
2 price owed by such student;

3 “(4) ensure that public institutions of higher
4 education in the State or the Tribal College or Uni-
5 versity not adopt policies to reduce enrollment;

6 “(5) provide an assurance that public institu-
7 tions of higher education in the State will not charge
8 out-of-State students an amount that exceeds the
9 marginal cost (as determined by the Secretary) of
10 attending institutions of higher education in the
11 State;

12 “(6) provide an assurance that public institu-
13 tions of higher education in the State that charge
14 non-eligible in-State students tuition and required
15 fees, will not charge such students a rate that is nec-
16 essary to continue to fully eliminate tuition and re-
17 quired fees for eligible students; and

18 “(7) provide an assurance that public institu-
19 tions of higher education in the State maintain a
20 ratio of 1 to 150 of disability services full-time em-
21 ployees to registered students with disabilities, and
22 that such employees be specifically dedicated to serv-
23 ing students with disabilities.

1 “(d) ALIGNMENT OF SECONDARY AND HIGHER EDU-
2 CATION.—In order to receive a grant under this subpart,
3 a State shall—

4 “(1) submit and implement a plan to align the
5 requirements for receiving a regular high school di-
6 ploma from public schools in the State with the re-
7 quirements for entering credit-bearing coursework at
8 community colleges in such State; and

9 “(2) not later than 3 years after the date on
10 which the State first receives a grant under this sub-
11 part, certify to the Secretary that such alignment
12 has been achieved.

13 “(e) TRANSFER PATHWAYS.—In order to receive a
14 grant under this subpart, a State shall—

15 “(1) submit a plan to improve transfer path-
16 ways among public institutions of higher education
17 in the State, including by—

18 “(A) ensuring that associate degrees
19 awarded by community colleges in the State are
20 fully transferable to, and credited as, the first
21 2 years of related baccalaureate programs at
22 public institutions of higher education in such
23 State; and

24 “(B) increasing the transferability of indi-
25 vidual courses within the certificate or associate

1 programs offered by community colleges in the
2 State to related baccalaureate programs offered
3 by public institutions of higher education in
4 such State to maximize the transferability of
5 credits for students who transfer before com-
6 pleting an associate degree and facilitate re-
7 verse transfer policies; and

8 “(2) not later than 3 years after the date on
9 which the State first receives a grant under this sub-
10 part, certify to the Secretary that the State is car-
11 rying out the plan submitted in accordance with
12 paragraph (1) and is meeting the requirements of
13 subparagraphs (A) and (B) of such paragraph.

14 “(f) NO ADDITIONAL ELIGIBILITY REQUIRE-
15 MENTS.—No individual shall be determined by a State, a
16 Tribal College or University, or the Secretary, to be ineli-
17 gible for benefits provided under this subpart (including
18 eliminating tuition and fees, and other aid provided under
19 this subpart), except on the basis of eligibility require-
20 ments under this subpart.

21 **“SEC. 788. AUTOMATIC STABILIZER.**

22 “(a) MAINTENANCE OF EFFORT RELIEF.—A State
23 that receives a grant under this subpart may request a
24 waiver of the requirements under section 787(b). Upon re-

1 quest by such a State, the Secretary shall waive the re-
 2 quirements of section 787(b) for the State as follows:

3 “(1) TIER I.—With respect to each State eligi-
 4 ble for relief under tier I, such requirements shall be
 5 waived for the fiscal year succeeding the fiscal year
 6 for which the determination of the State’s eligibility
 7 for such relief is made.

8 “(2) TIERS II THROUGH V.—With respect to
 9 each State eligible for relief under tier II, III, IV,
 10 or V, such requirements shall be waived, in accord-
 11 ance with subsection (c), for—

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

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

17 “(C) both such fiscal years.

18 “(b) STATE SHARE RELIEF.—

19 “(1) STATE SHARE RELIEF.—A State that
 20 meets the qualifying spending requirement and is el-
 21 igible for relief under tier II, III, IV, or V may re-
 22 quest relief with respect to the requirement of sec-
 23 tion 786(b)(1)(B). Upon request by such a State,
 24 the Secretary shall provide relief from the require-

1 ments of section 786(b)(1)(B), for the applicable
2 award year or years, for the State as follows:

3 “(A) TIER II.—With respect to a State
4 that is eligible for relief under tier II, the Sec-
5 retary shall apply—

6 “(i) section 786(a)(1)(B)(v), by sub-
7 stituting ‘85 percent’ for ‘80 percent’; and

8 “(ii) section 786(b)(1)(B)(v), by sub-
9 stituting ‘15 percent’ for ‘20 percent’.

10 “(B) TIER III.—With respect to a State
11 that is eligible for relief under tier III, the Sec-
12 retary shall apply—

13 “(i) section 786(a)(1)(B)(iv), by sub-
14 stituting ‘90 percent’ for ‘85 percent’;

15 “(ii) section 786(a)(1)(B)(v), by sub-
16 stituting ‘90 percent’ for ‘80 percent’;

17 “(iii) section 786(b)(1)(B)(iv), by sub-
18 stituting ‘10 percent’ for ‘15 percent’; and

19 “(iv) section 786(b)(1)(B)(v), by sub-
20 stituting ‘10 percent’ for ‘20 percent’.

21 “(C) TIER IV.—With respect to a State
22 that is eligible for relief under tier IV, the Sec-
23 retary shall apply—

24 “(i) section 786(a)(1)(B)(iii), by sub-
25 stituting ‘95 percent’ for ‘90 percent’;

1 “(ii) section 786(a)(1)(B)(iv), by sub-
2 stituting ‘95 percent’ for ‘85 percent’;

3 “(iii) section 786(a)(1)(B)(v), by sub-
4 stituting ‘95 percent’ for ‘80 percent’;

5 “(iv) section 786(b)(1)(B)(iii), by sub-
6 stituting ‘5 percent’ for ‘10 percent’;

7 “(v) section 786(b)(1)(B)(iv), by sub-
8 stituting ‘5 percent’ for ‘15 percent’; and

9 “(vi) section 786(b)(1)(B)(v), by sub-
10 stituting ‘5 percent’ for ‘20 percent’.

11 “(D) TIER V.—With respect to a State
12 that is eligible for relief under tier V, the Sec-
13 retary shall apply—

14 “(i) section 786(a)(1)(B)(ii), by sub-
15 stituting ‘100 percent’ for ‘95 percent’;

16 “(ii) section 786(a)(1)(B)(iii), by sub-
17 stituting ‘100 percent’ for ‘90 percent’;

18 “(iii) section 786(a)(1)(B)(iv), by sub-
19 stituting ‘100 percent’ for ‘85 percent’;

20 “(iv) section 786(a)(1)(B)(v), by sub-
21 stituting ‘100 percent’ for ‘80 percent’;

22 “(v) section 786(b)(1)(B)(ii), by sub-
23 stituting ‘0 percent’ for ‘5 percent’;

24 “(vi) section 786(b)(1)(B)(iii), by sub-
25 stituting ‘0 percent’ for ‘10 percent’;

1 “(vii) section 786(b)(1)(B)(iv), by
2 substituting ‘0 percent’ for ‘15 percent’;
3 and

4 “(viii) section 786(b)(1)(B)(v), by
5 substituting ‘0 percent’ for ‘20 percent’.

6 “(2) APPLICABLE AWARD YEARS.—With respect
7 to each State eligible for relief under tier II, III, IV,
8 or V, the Secretary shall provide the relief under
9 paragraph (1) in accordance with subsection (c)
10 for—

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

14 “(B) the award year succeeding the award
15 year described in subparagraph (A); or

16 “(C) both such award years.

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

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

22 “(i) the State is in an elevated unem-
23 ployment period at any point in the fiscal
24 year; and

1 “(ii) the State is not eligible for relief
2 under any other tier.

3 “(B) TIER II.—A State shall be eligible for
4 relief under tier II for a fiscal or award year,
5 as applicable, for which—

6 “(i)(I) the State average unemploy-
7 ment rate is equal to or greater than 6.5
8 percent, but less than 7.5 percent, at any
9 point in the fiscal or award year; or

10 “(II) the national average unemploy-
11 ment rate is equal to or greater than 6.5
12 percent, but less than 7.5 percent, at any
13 point in the fiscal or award year; and

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

16 “(C) TIER III.—A State shall be eligible
17 for relief under tier III for a fiscal or award
18 year, as applicable, for which—

19 “(i)(I) the State average unemploy-
20 ment rate is equal to or greater than 7.5
21 percent, but less than 8.5 percent, at any
22 point in the fiscal or award year; or

23 “(II) the national average unemploy-
24 ment rate is equal to or greater than 7.5

1 percent, but less than 8.5 percent, at any
2 point in the fiscal or award year; and

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

5 “(D) TIER IV.—A State shall be eligible
6 for relief under tier IV for a fiscal or award
7 year, as applicable, for which—

8 “(i)(I) the State average unemploy-
9 ment rate is equal to or greater than 8.5
10 percent, but less than 9.5 percent, at any
11 point in the fiscal or award year; or

12 “(II) the national average unemploy-
13 ment rate is equal to or greater than 8.5
14 percent, but less than 9.5 percent, at any
15 point in the fiscal or award year; and

16 “(ii) the State is not eligible for relief
17 under tier V.

18 “(E) TIER V.—A State shall be eligible for
19 relief under tier V for a fiscal or award year,
20 as applicable, for which—

21 “(i) the State average unemployment
22 rate is equal to or greater than 9.5 percent
23 at any point in the fiscal or award year; or

24 “(ii) the national average unemploy-
25 ment rate is equal to or greater than 9.5

1 percent at any point in the fiscal or award
2 year.

3 “(c) DISCRETION IN THE PROVISION OF RELIEF.—

4 In determining the fiscal years for which to provide relief
5 in accordance with subsection (a)(2), or the award years
6 for which to provide relief in accordance with subsection
7 (b), to a State that is eligible under tier II, III, IV or
8 V, the Secretary shall take into account the following:

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

12 “(A) if the State requests such relief for
13 the fiscal year for which the determination of
14 the State’s eligibility for such relief is made, the
15 amount by which the State is unable to meet
16 the requirements of section 787(b) for such fis-
17 cal year; and

18 “(B) if the State requests such relief for
19 the fiscal year succeeding the year described in
20 subparagraph (A), the amount by which the
21 State anticipates being unable to meet such re-
22 quirements for such succeeding fiscal year.

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

1 “(A) if the State requests such relief for
2 the award year for which the determination of
3 the State’s eligibility for such relief is made, the
4 extent to which the State is unable to meet the
5 requirements of section 786(b)(1)(B) for such
6 award year; and

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

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

15 “(A) the fiscal or award year, as applica-
16 ble, for which the determination of the State’s
17 eligibility for such relief is made;

18 “(B) the fiscal or award year, as applica-
19 ble, succeeding the fiscal or award year de-
20 scribed in subparagraph (A); and

21 “(C) the fiscal or award year, as applica-
22 ble, preceding the fiscal or award year described
23 in subparagraph (A).

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

1 “(d) CONTINUED PAYMENT TO EMPLOYEES.—A
2 State that receives relief under subsection (a) or sub-
3 section (b) shall, to the greatest extent practicable, con-
4 tinue to pay its employees of, and contractors with, public
5 institutions of higher education in the State during the
6 period in which the State is receiving such relief.

7 “(e) DEFINITIONS.—In this section:

8 “(1) ELEVATED UNEMPLOYMENT PERIOD.—
9 The term ‘elevated unemployment period’ means a
10 consecutive 3-month period in a fiscal year in which
11 the State average unemployment rate is not less
12 than 0.5 percentage points above the lowest State
13 average unemployment rate for the 12-month period
14 preceding such 3-month period.

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

22 “(3) QUALIFYING SPENDING REQUIREMENT.—
23 The term ‘qualifying spending requirement’ means
24 the requirement that a State not disproportionately
25 decrease spending for any of the categories described

1 in subparagraphs (1) through (3) of section 787(b)
2 relative to such State's overall, average decrease in
3 spending for the 3 consecutive preceding fiscal years.

4 “(4) STATE AVERAGE UNEMPLOYMENT RATE.—

5 The term ‘State average unemployment rate’ means
6 the average (seasonally adjusted) rate of total unem-
7 ployment in a State for a consecutive 3-month pe-
8 riod in a fiscal year.

9 **“SEC. 789. APPLICATIONS.**

10 “In order to receive a grant under this subpart, a
11 State or Tribal College or University shall submit an ap-
12 plication to the Secretary at such time, in such manner,
13 and containing such information as the Secretary may re-
14 quire. In the case of a State, such application shall be
15 submitted by the State agency with jurisdiction over high-
16 er education or another agency designated by the Gov-
17 ernor or chief executive of the State to administer the pro-
18 gram under this subpart.

19 **“SEC. 790. USE OF FUNDS.**

20 “(a) IN GENERAL.—A State or Tribal College or Uni-
21 versity that receives a grant under this subpart shall use
22 the grant funds and the State share funds required under
23 this subpart—

24 “(1) to fully eliminate tuition and required fees
25 for all eligible students at community colleges in the

1 State or at the Tribal College or University, if the
2 Tribal College or University is a 2-year Tribal Col-
3 lege or University; and

4 “(2) to fully eliminate tuition and required fees
5 for eligible students, as described in section
6 787(a)(3), at public 4-year institutions of higher
7 education in the State or at the Tribal College or
8 University, if the Tribal College or University is a
9 4-year Tribal College or University.

10 “(b) REMAINING FUNDS.—Once tuition and required
11 fees have been fully eliminated pursuant to subsection (a),
12 a State or Tribal College or University that receives a
13 grant under this subpart shall use any remaining grant
14 funds to reduce the cost of attendance and increase the
15 quality of instruction and student support services at pub-
16 lic institutions of higher education in the State or at the
17 Tribal College or University by carrying out any of the
18 following:

19 “(1) Providing additional non-loan financial aid
20 to students to help reduce unmet need, which may
21 include need-based student financial aid or emer-
22 gency financial aid grants to students attending a
23 public institution of higher education in such State,
24 or such Tribal College or University, for any compo-
25 nent of such students’ cost of attendance.

1 “(2) Implementing evidence-based reforms or
2 practices at public institutions of higher education in
3 such State or at such Tribal College or University
4 that are described in section 804 or that meet evi-
5 dence tier 1 or evidence tier 2 (as defined in section
6 800) to improve the enrollment, retention, transfer,
7 or completion rates or labor market outcomes among
8 the students described in section 802(b).

9 “(3) Expanding academic course offerings and
10 providing high-quality occupational skills training
11 programs to students.

12 “(4) Increasing the number and percentage of
13 tenure or tenure-track faculty.

14 “(5) Providing all faculty with professional sup-
15 ports to help students succeed, such as professional
16 development opportunities, including providing—

17 “(A) culturally inclusive and identity-safe
18 learning environments;

19 “(B) work spaces; and

20 “(C) shared governance in the institution.

21 “(6) Compensating part-time faculty for work
22 done outside of the classroom relating to supporting
23 student success, such as holding office hours.

1 “(7) Strengthening, and ensuring all students
2 have access to, student support services, such as
3 academic advising, counseling, and tutoring.

4 “(8) Expanding access to dual or concurrent
5 enrollment programs and early college high school
6 programs.

7 “(9) Establishing prison education programs in
8 partnership with local or State correctional facilities.

9 “(10) Carrying out any other additional activi-
10 ties that improve instructional quality and academic
11 outcomes for students as approved by the Secretary
12 through a peer review process.

13 “(c) PROHIBITION.—A State or Tribal College or
14 University that receives a grant under this subpart may
15 not use grant funds or State share funds required under
16 this subpart—

17 “(1) for the construction of a nonacademic fa-
18 cility, such as a student center or stadium;

19 “(2) for merit-based student financial aid;

20 “(3) for need-based student financial aid (ex-
21 cept to the extent funds are available under section
22 786(c)(3));

23 “(4) to pay the salaries or benefits of school ad-
24 ministrators;

1 “(5) for capital outlays or deferred mainte-
2 nance; or

3 “(6) for expenditures on athletics other than
4 activities open to all members of the campus com-
5 munity.

6 “(d) SUPPLEMENT, NOT SUPPLANT.—Except as pro-
7 vided in section 786(b)(2)(A), funds made available under
8 this subpart shall be used to supplement, and not sup-
9 plant, other Federal, State, Tribal, local, and institutional
10 funds that would otherwise be expended to carry out ac-
11 tivities described in this subpart.

12 “(e) CONTINUATION OF FUNDING.—

13 “(1) IN GENERAL.—Except as provided in para-
14 graph (2), a State or a Tribal College or University
15 receiving a grant under this subpart for an award
16 year may continue to receive funding under this sub-
17 part for subsequent award years conditioned on
18 meeting the requirements of the grant, as deter-
19 mined by the Secretary.

20 “(2) DISCONTINUATION.—The Secretary shall
21 discontinue or reduce funding of the Federal share
22 of a grant under this subpart if the State or Tribal
23 College or University has violated the terms of the
24 grant.

1 “(f) RULE OF CONSTRUCTION REGARDING BIE
 2 FUNDS.—Nothing in this subpart shall be construed to
 3 impact the availability of funds from, or uses of funds pro-
 4 vided by, the Bureau of Indian Education for Tribal Col-
 5 leges and Universities.

6 **“SEC. 791. AUTHORIZATION OF APPROPRIATIONS.**

7 “(a) IN GENERAL.—There are authorized to be ap-
 8 propriated, and there are appropriated, to carry out this
 9 subpart—

10 “(1) such sums as may be necessary for the
 11 fourth quarter of fiscal year 2026; and

12 “(2) such sums as may be necessary for each
 13 of the fiscal years 2027 through 2035.

14 “(b) SUPPLEMENTAL FUNDS.—

15 “(1) IN GENERAL.—In addition to amounts
 16 otherwise available, there is appropriated for fiscal
 17 year 2026, out of any money in the Treasury not
 18 otherwise appropriated, not more than \$9,844 per
 19 student enrolled at 4-year public institutions of high-
 20 er education and not more than \$6,073 per student
 21 enrolled at community colleges, to remain available
 22 until September 30, 2031, for the Secretary to
 23 award grants to all States that have resident tuition
 24 and fees at community colleges or public 4-year in-
 25 stitutions of higher education that are higher than

1 the national average tuition and fees at community
2 colleges or public 4-year institutions of higher edu-
3 cation in award year 2026–2027, for the purpose of
4 supporting such States’ ability to participate in the
5 program under this subpart.

6 “(2) STATE SHARE.—Notwithstanding any
7 other provision of this subpart, a State receiving
8 grant funds under paragraph (1) shall use such
9 funds to meet the State share requirement under
10 section 786(b) and to fully eliminate tuition and fees
11 for eligible students as required under paragraphs
12 (2) and (3) of section 787(a).”.

1 **TITLE II—GRANT PROGRAM TO**
 2 **ELIMINATE TUITION AND**
 3 **FEES FOR ELIGIBLE STU-**
 4 **DENTS AT PRIVATE NON-**
 5 **PROFIT HISTORICALLY**
 6 **BLACK COLLEGES AND UNI-**
 7 **VERSITIES AND MINORITY-**
 8 **SERVING INSTITUTIONS**

9 **SEC. 201. GRANT PROGRAM TO ELIMINATE TUITION AND**
 10 **FEES FOR ELIGIBLE STUDENTS AT PRIVATE**
 11 **NONPROFIT HISTORICALLY BLACK COL-**
 12 **LEGES AND UNIVERSITIES AND MINORITY-**
 13 **SERVING INSTITUTIONS.**

14 Part F of title VII of the Higher Education Act of
 15 1965, as added by section 101, is further amended by add-
 16 ing at the end the following:

17 **“Subpart 2—Grant Program To Eliminate Tuition**
 18 **and Fees for Eligible Students at Private Non-**
 19 **profit Historically Black Colleges and Univer-**
 20 **sities and Minority-Serving Institutions**

21 **“SEC. 795. DEFINITIONS.**

22 “In this subpart:

23 “(1) **ELIGIBLE INSTITUTION.**—

24 “(A) **IN GENERAL.**—Except as provided in
 25 subparagraph (E), the term ‘eligible institution’

means a private nonprofit 2-year institution or
4-year institution that—

“(i) is—

“(I) a part B institution (as defined in section 322);

“(II) a Hispanic-serving institution (as defined in section 502);

“(III) an Alaska Native-serving institution (as defined in section 317(b));

“(IV) a Native Hawaiian-serving institution (as defined in section 317(b));

“(V) a Predominantly Black institution (as defined in section 371(c));

“(VI) an Asian American and Native American Pacific Islander-serving institution (as defined in section 371(c)); or

“(VII) a Native American-serving nontribal institution (as defined in section 371(c)); and

“(ii) has not received funds under subpart 1.

1 “(B) CONTINUING ELIGIBILITY.—The Sec-
2 retary shall determine whether an institution is
3 an ‘eligible institution’ under subparagraph (A)
4 based on the most recent data available, and
5 shall review such determination annually to en-
6 sure that the institution continues to meet the
7 requirements for participation under this sub-
8 part.

9 “(C) 2-YEAR INSTITUTION.—The term ‘2-
10 year institution’ means an institution at which
11 an associate degree is the most frequently
12 awarded degree.

13 “(D) 4-YEAR INSTITUTION.—The term ‘4-
14 year institution’ means an institution of higher
15 education (as defined under section 101(a))
16 that is not a 2-year institution.

17 “(E) EXCEPTION.—

18 “(i) IN GENERAL.—An eligible institu-
19 tion as described in subparagraph (A) shall
20 not be an eligible institution for purposes
21 of this section for the period described in
22 clause (ii) if such institution was a for-
23 profit institution at any time that con-
24 verted to a nonprofit institution.

1 “(ii) PERIOD OF INELIGIBILITY.—An
2 institution described under clause (i) shall
3 not be an eligible institution for purposes
4 of this section for a period of 25 years
5 from the date the institution converted
6 from being a for-profit institution to a
7 nonprofit institution or 25 years after the
8 date of enactment of this subpart, which-
9 ever period is longer.

10 “(2) ELIGIBLE STUDENT.—

11 “(A) IN GENERAL.—The term ‘eligible stu-
12 dent’ means a student enrolled in an eligible in-
13 stitution who has not obtained a baccalaureate
14 degree or a higher degree and—

15 “(i) for the first award year of the
16 program under this subpart, if the stu-
17 dent—

18 “(I) is a dependent student—

19 “(aa) in a single parent
20 household, the student’s parent’s
21 adjusted gross income for the
22 taxable year that is 1 year prior
23 to the taxable year that ends im-
24 mediately prior to the beginning

1 of the award year is equal to or
2 less than \$150,000; or

3 “(bb) with married parents,
4 the student’s parents’ adjusted
5 gross income for the taxable year
6 that is 1 year prior to the taxable
7 year that ends immediately prior
8 to the beginning of the award
9 year is equal to or less than
10 \$300,000; and

11 “(II) is a—

12 “(aa) single independent
13 student, the student’s adjusted
14 gross income for the taxable year
15 that is 1 year prior to the taxable
16 year that ends immediately prior
17 to the beginning of the award
18 year is equal to or less than
19 \$150,000; or

20 “(bb) married independent
21 student, the student’s adjusted
22 gross income for the taxable year
23 that is 1 year prior to the taxable
24 year that ends immediately prior
25 to the beginning of the award

1 year is equal to or less than
2 \$300,000; and

3 “(ii) for each award year after the
4 first award year of the program under this
5 subpart, if the student—

6 “(I) is a dependent student, the
7 student’s parents’ adjusted gross in-
8 come for the taxable year that is 1
9 year prior to the taxable year that
10 ends immediately prior to the begin-
11 ning of the award year is equal to or
12 less than the applicable amount; and

13 “(II) is an independent student,
14 the student’s adjusted gross income
15 for the taxable year that is 1 year
16 prior to the taxable year that ends im-
17 mediately prior to the beginning of
18 the award year is equal to or less than
19 the applicable amount.

20 “(B) APPLICABLE AMOUNT.—In this para-
21 graph, the term ‘applicable amount’ means an
22 amount equal to, for any award year beginning
23 after the first award year of the program under
24 this subpart, the income amount determined
25 under this paragraph for the preceding award

1 year adjusted in the same manner as income is
2 adjusted under section 478(b).

3 “(3) FULL-TIME EQUIVALENT ELIGIBLE STU-
4 DENTS.—The term ‘full-time equivalent eligible stu-
5 dents’ means the sum of the number of eligible stu-
6 dents projected to enroll full time at an institution
7 for an award year, plus the full-time equivalent of
8 the number of eligible students projected to be en-
9 rolled part time (determined on the basis of the
10 quotient of the sum of the credit hours of all part-
11 time eligible students divided by 12) at such institu-
12 tion, for such award year.

13 **“SEC. 796. AUTHORIZATION OF GRANT PROGRAM.**

14 “Beginning with award year 2026–2027, from
15 amounts appropriated to carry out this subpart for any
16 fiscal year, the Secretary shall award grants to eligible in-
17 stitutions to enable the eligible institutions to eliminate
18 tuition and required fees for eligible students.

19 **“SEC. 797. GRANT TERMS.**

20 “(a) GRANT AMOUNT.—

21 “(1) IN GENERAL.—For each year for which an
22 eligible institution participates in the grant program
23 under this subpart, such eligible institution shall re-
24 ceive a grant in an amount equal to—

1 “(A) in the case of an eligible institution
2 that is a 2-year institution, the product of the
3 number of eligible students enrolled in such in-
4 stitution multiplied by—

5 “(i) for the 2026–2027 award year,
6 \$5,110; and

7 “(ii) for each subsequent award year,
8 the amount determined under this sub-
9 paragraph for the preceding award year,
10 increased by the lesser of—

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

16 “(II) 3 percent; or

17 “(B) in the case of an eligible institution
18 that is a 4-year institution, the product of the
19 number of eligible students enrolled in such in-
20 stitution multiplied by—

21 “(i) for the 2026–2027 award year,
22 \$11,610; and

23 “(ii) for each subsequent award year,
24 the amount determined under this sub-

1 paragraph for the preceding award year,
2 increased by the lesser of—

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

8 “(II) 3 percent.

9 “(2) LIMITATIONS ON TUITION HIKES.—

10 “(A) FIRST AWARD YEAR.—For the first
11 award year for which an eligible institution ap-
12 plies for a grant under this subpart, such eligi-
13 ble institution shall not increase tuition and re-
14 quired fees at a rate that is greater than any
15 annual increase in tuition and required fees at
16 the eligible institution for the 5 years preceding
17 such first award year.

18 “(B) SUCCEEDING AWARD YEARS.—

19 “(i) IN GENERAL.—For each award
20 year after the first award year for which
21 an eligible institution receives a grant
22 under this subpart, such eligible institution
23 shall not increase tuition and required fees
24 from the preceding award year at a rate
25 that is greater than the percentage in-

1 crease in the Employment Cost Index for
2 the award year for which the grant is re-
3 ceived, as compared to the Employment
4 Cost Index for the award year preceding
5 the award year for which the grant is re-
6 ceived.

7 “(ii) EMPLOYMENT COST INDEX.—In
8 this subparagraph, the term ‘Employment
9 Cost Index’, when used with respect to an
10 award year, means the Employment Cost
11 Index for total compensation for private in-
12 dustry workers by bargaining status and
13 census region and division (not seasonally
14 adjusted) of the division in which the eligi-
15 ble institution is located, as provided by
16 the Bureau of Labor Statistics of the De-
17 partment of Labor, that is provided for the
18 December that immediately precedes the
19 start of the award year.

20 “(3) DATA ADJUSTMENTS.—

21 “(A) IN GENERAL.—The Secretary shall
22 establish a process through which each eligible
23 institution that participates in the program
24 under this subpart—

1 “(i) provides the necessary eligible
2 student enrollment data at the start of the
3 award year; and

4 “(ii) initially receives grant funds, as
5 calculated under this subsection, based on
6 such data.

7 “(B) ADJUSTMENT OF GRANT AMOUNT.—
8 For each year for which an eligible institution
9 receives a grant under this subpart, the Sec-
10 retary shall, once final enrollment data for such
11 year are available—

12 “(i) in consultation with the eligible
13 institution concerned, determine the actual
14 number of full-time equivalent eligible stu-
15 dents for the year covered by the grant;
16 and

17 “(ii) adjust the grant amount received
18 by the eligible institution to reflect the ac-
19 tual number of full-time equivalent eligible
20 students by applying the relevant adjust-
21 ment to such grant amount in the subse-
22 quent award year in accordance with sub-
23 paragraph (C).

24 “(C) CALCULATION OF ADJUSTMENTS.—If
25 the actual full-time equivalent eligible students

1 figure for the preceding award year reported
2 under subparagraph (B)—

3 “(i) exceeds the projected enrollment
4 that was used for determining the allot-
5 ment under paragraph (1) for the pre-
6 ceding award year, notwithstanding any
7 other provision of this Act, the grant
8 amount for the subsequent award year for
9 the eligible institution shall be increased to
10 reflect such actual enrollment, which figure
11 shall be increased by the Gross Domestic
12 Product Price Index of the State in which
13 the eligible institution is located; or

14 “(ii) is below the projected enrollment
15 that was used for determining the allot-
16 ment under paragraph (1) for the pre-
17 ceding award year, notwithstanding any
18 other provision of this Act, the grant
19 amount for the subsequent award year for
20 the eligible institution shall be decreased to
21 reflect such actual enrollment, which figure
22 shall be increased by the average interest
23 rate on 5-year United States Treasury se-
24 curities issued during the preceding award
25 year.

1 “(b) APPLICATION.—An eligible institution that de-
2 sires to receive a grant under this subpart shall submit
3 to the Secretary an application at such time, in such man-
4 ner, and containing such information as the Secretary may
5 require.

6 “(c) TRANSFER REQUIREMENT.—In the case of an
7 eligible institution that is a 4-year institution that receives
8 a grant under this subpart and enrolls students who trans-
9 fer from another institution, the institution shall—

10 “(1) commit to increasing the transferability of
11 individual courses within certificate or associate pro-
12 grams offered by community colleges in the State to
13 related baccalaureate programs offered by such insti-
14 tution to maximize the transferability of credits for
15 students who transfer before completing an associate
16 degree; and

17 “(2) maintain a formal, statewide articulation
18 agreement with community colleges in the State in
19 which such institution operates that, at a minimum,
20 ensures that associate degrees awarded by commu-
21 nity colleges in the State are fully transferable to,
22 and credited as the first 2 years of related bacca-
23 laureate programs at, such institution.

24 “(d) USE OF FUNDS.—

1 “(1) IN GENERAL.—An eligible institution that
2 receives a grant under this subpart shall use the
3 grant funds to—

4 “(A) except as provided in paragraph (3),
5 eliminate tuition and required fees for eligible
6 students enrolled in the eligible institution dur-
7 ing any period for which the institution receives
8 a grant under this subpart;

9 “(B) maintain expenditures on instruction
10 per a full-time equivalent eligible student at lev-
11 els that meet or exceed the expenditures on in-
12 struction per a full-time equivalent eligible stu-
13 dent for award year 2025–2026; and

14 “(C) maintain expenditures on need-based
15 financial aid programs for students enrolled in
16 the institution at a level that meets or exceeds
17 the level of such support for award year 2025–
18 2026.

19 “(2) PROHIBITIONS.—An eligible institution
20 that receives a grant under this subpart may not use
21 grant funds—

22 “(A) for the construction of a nonacademic
23 facility, such as a student center or stadium;

24 “(B) for merit-based or need-based student
25 financial aid;

1 “(C) to pay the salaries or benefits of
2 school administrators;

3 “(D) for capital outlays or deferred main-
4 tenance; or

5 “(E) for expenditures on athletics other
6 than activities open to all members of the cam-
7 pus community.

8 “(3) EXCEPTION.—An eligible institution that
9 receives a grant under this subpart and that does
10 not have authority to set the tuition and required
11 fees for eligible students enrolled in the eligible insti-
12 tution shall provide tuition assistance to eligible stu-
13 dents enrolled in the eligible institution during any
14 period for which the institution receives a grant
15 under this subpart in an amount equal to the grant
16 amount determined under subsection (a)(1).

17 “(e) ASSURANCES.—An eligible institution that re-
18 ceives a grant under this subpart shall provide an assur-
19 ance to the Secretary that the institution will—

20 “(1) increase, to the extent practicable, the
21 amount of instruction provided by tenured or tenure-
22 track faculty; and

23 “(2) not adopt policies to reduce enrollment.

24 “(f) SUPPLEMENT, NOT SUPPLANT.—Funds made
25 available to carry out this subpart shall be used to supple-

1 ment, and not supplant, other Federal, State, Tribal,
 2 local, and institutional funds that would otherwise be ex-
 3 pended to carry out activities under this subpart.

4 “(g) NO ADDITIONAL ELIGIBILITY REQUIRE-
 5 MENTS.—No individual shall be determined, by an eligible
 6 institution or the Secretary, to be ineligible for benefits
 7 provided under this subpart except on the basis of eligi-
 8 bility requirements under this subpart.

9 **“SEC. 798. AUTHORIZATION OF APPROPRIATIONS.**

10 “There are authorized to be appropriated, and there
 11 are appropriated, to carry out this subpart—

12 “(1) such sums as may be necessary for the
 13 fourth quarter of fiscal year 2026; and

14 “(2) such sums as may be necessary for each
 15 of the fiscal years 2027 through 2035.”.

16 **SEC. 202. NORTHERN MARIANA ISLANDS, AMERICAN**
 17 **SAMOA, UNITED STATES VIRGIN ISLANDS,**
 18 **GUAM, AND FREELY ASSOCIATED STATES**
 19 **COLLEGE ACCESS.**

20 Part F of title VII of the Higher Education Act of
 21 1965, as added by section 101 and amended by section
 22 201, is further amended by adding at the end the fol-
 23 lowing:

1 **“Subpart 3—College Access for Students in Outlying**
2 **Areas**

3 **“SEC. 799. NORTHERN MARIANA ISLANDS, AMERICAN**
4 **SAMOA, UNITED STATES VIRGIN ISLANDS,**
5 **GUAM, AND FREELY ASSOCIATED STATES**
6 **COLLEGE ACCESS.**

7 “(a) GRANTS.—

8 “(1) GRANT AMOUNTS.—

9 “(A) IN GENERAL.—Beginning with award
10 year 2026–2027, from amounts appropriated to
11 carry out this section, the Secretary shall award
12 grants to the Governors of each outlying area
13 for such Governors to award grants to eligible
14 institutions that enroll eligible students to pay
15 the difference between the tuition and fees
16 charged for in-State students and the tuition
17 and fees charged for out-of-State students on
18 behalf of each eligible student enrolled in the el-
19 igible institution.

20 “(B) MAXIMUM STUDENT AMOUNTS.—The
21 amount paid on behalf of an eligible student
22 under this section shall be—

23 “(i) not more than \$15,950 for any
24 one award year (as defined in section
25 481(a)(1)); and

1 “(ii) not more than \$79,750 in the
2 aggregate.

3 “(C) PRORATION.—The Governor shall
4 prorate payments under this section with re-
5 spect to eligible students who attend an eligible
6 institution on less than a full-time basis.

7 “(2) AGREEMENT.—Each Governor desiring a
8 grant under this section shall enter into an agree-
9 ment with the Secretary for the purposes of admin-
10 istering the grant program.

11 “(b) NO ADDITIONAL ELIGIBILITY REQUIRE-
12 MENTS.—No individual shall be determined, by a Gov-
13 ernor, an eligible institution, or the Secretary, to be ineli-
14 gible for benefits provided under this section except on the
15 basis of eligibility requirements under this section.

16 “(c) DEFINITIONS.—In this section:

17 “(1) ELIGIBLE INSTITUTION.—The term ‘eligi-
18 ble institution’ means an institution that—

19 “(A) is a public 4-year institution of higher
20 education located in 1 of the several States of
21 the United States, the District of Columbia, the
22 Commonwealth of Puerto Rico, or an outlying
23 area;

24 “(B) enters into an agreement with the
25 Governor of an outlying area, or with 2 or more

1 of such Governors (except that such institution
2 may not enter into an agreement with the Gov-
3 ernor of the outlying area in which such institu-
4 tion is located), to carry out the grant program
5 under this section; and

6 “(C) submits an assurance to the Governor
7 and to the Secretary that the institution shall
8 use funds made available under this section to
9 supplement, and not supplant, assistance that
10 otherwise would be provided to eligible students
11 from outlying areas.

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

14 “(A) was domiciled in an outlying area for
15 not less than 12 consecutive months preceding
16 the commencement of the freshman year at an
17 institution of higher education;

18 “(B) has not completed an undergraduate
19 baccalaureate course of study; and

20 “(C) is enrolled as an undergraduate stu-
21 dent in an eligible program (as defined in sec-
22 tion 481(b)) on at least a half-time basis.

23 “(3) GOVERNOR.—The term ‘Governor’ means
24 the chief executive of an outlying area.

“(4) OUTLYING AREA.—The term ‘outlying area’ means the Northern Mariana Islands, American Samoa, the United States Virgin Islands, Guam, and the Freely Associated States.”.

TITLE III—FEDERAL PELL GRANT IMPROVEMENTS

SEC. 301. FEDERAL PELL GRANT IMPROVEMENTS.

(a) REPEAL OF SCORING REQUIREMENT.—Section 406 of H. Con. Res. 95 (109th Congress) is amended—

(1) by striking subsection (b); and

(2) by striking “(A) IN GENERAL” and inserting the following: “Upon”.

(b) AMENDMENT TO FEDERAL PELL GRANTS.—Section 401 of the Higher Education Act of 1965 (20 U.S.C. 1070a) is amended—

(1) in subsection (b), by striking paragraphs (5), (6), and (7) and inserting the following:

“(5) MAXIMUM FEDERAL PELL GRANT.—

“(A) AWARD YEAR 2026–2027.—For award year 2026–2027, the total maximum Federal Pell Grant shall be—

“(i) in the case of an eligible student who is in attendance at an institution of higher education described in section 101

1 or a Tribal College or University described
2 in section 316(b)(3), \$14,790; or

3 “(ii) in the case of an eligible student
4 who is in attendance at an institution of
5 higher education not described in clause
6 (i), \$7,395.

7 “(B) SUBSEQUENT AWARD YEARS.—For
8 award year 2027–2028, and each subsequent
9 award year, the total maximum Federal Pell
10 Grant shall be equal to the total maximum Fed-
11 eral Pell Grant for the preceding award year
12 (applicable to the institution at which the eligi-
13 ble student is in attendance)—

14 “(i) increased by the annual adjust-
15 ment percentage for the award year for
16 which the amount under this subparagraph
17 is being determined; and

18 “(ii) rounded to the nearest \$5.

19 “(C) DEFINITION OF ANNUAL ADJUST-
20 MENT PERCENTAGE.—In this paragraph, the
21 term ‘annual adjustment percentage,’ as applied
22 to an award year, is equal to the estimated per-
23 centage increase in the Consumer Price Index
24 (as determined by the Secretary, using the defi-
25 nition in section 478(f)) for the most recent cal-

1 endar year ending prior to the beginning of that
2 award year.

3 “(6) APPROPRIATION OF FUNDS.—There are
4 authorized to be appropriated, and there are appro-
5 priated, out of any money in the Treasury not other-
6 wise appropriated, such sums as may be necessary
7 for fiscal year 2026 and each subsequent fiscal year
8 to provide the maximum Federal Pell Grant for
9 which a student shall be eligible under this section
10 during an award year.

11 “(7) NO EFFECT ON PREVIOUS APPROPRIA-
12 TIONS.—The amendments made to this section by
13 the FAFSA Simplification Act shall not—

14 “(A) increase or decrease the amounts that
15 have been appropriated or are available to carry
16 out this section for fiscal year 2017, 2018,
17 2019, 2020, 2021, 2022, 2023, 2024, or 2025
18 as of the day before the effective date of such
19 Act; or

20 “(B) extend the period of availability for
21 obligation that applied to any such amount, as
22 of the day before such effective date.”;

23 “(2) in subsection (d)(5)(A), by striking “shall
24 not exceed 12 semesters, or the equivalent of 12 se-
25 mesters, as determined by the Secretary by regula-

1 tion” and inserting “shall not exceed 7 years and 6
2 months”;

3 (3) in subsection (f), by striking “Any disburse-
4 ment allowed to be made by crediting the student’s
5 account shall be limited to tuition and fees, and food
6 and housing if that food and housing is institution-
7 ally owned or operated. The student may elect to
8 have the institution provide other such goods and
9 services by crediting the student’s account.” and in-
10 serting “Payments under this section may be used
11 by the student for living and nontuition expenses.”;

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

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

15 (c) ELIGIBILITY FOR DREAMER STUDENTS AND STU-
16 DENTS WITH OTHER IMMIGRATIONS STATUSES.—Section
17 484 of the Higher Education Act of 1965 (20 U.S.C.
18 1091) is amended—

19 (1) by striking subsection (a)(5) and inserting
20 the following:

21 “(5) be—

22 “(A) a citizen or national of the United
23 States, a permanent resident of the United
24 States, or able to provide evidence from the Im-
25 migration and Naturalization Service that he or

1 she is in the United States for other than a
2 temporary purpose with the intention of becom-
3 ing a citizen or permanent resident, or be a
4 Dreamer student, as defined in subsection (u);
5 or

6 “(B) in the case of eligibility to receive a
7 Federal Pell Grant, a citizen or national of the
8 United States, a permanent resident of the
9 United States, able to provide evidence from the
10 Immigration and Naturalization Service that he
11 or she is in the United States for other than a
12 temporary purpose with the intention of becom-
13 ing a citizen or permanent resident, a Dreamer
14 student (as defined in subsection (u)), or sub-
15 ject to a grant of deferred enforced departure,
16 a grant of deferred action pursuant to the De-
17 ferred Action for Childhood Arrivals policy an-
18 nounced by the Secretary of Homeland Security
19 on June 15, 2012, or temporary protected sta-
20 tus under section 244 of the Immigration and
21 Nationality Act (8 U.S.C. 1254a); and”;

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

23 “(u) DREAMER STUDENTS.—

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

1 “(A) was younger than 16 years of age on
2 the date on which the individual initially en-
3 tered the United States;

4 “(B) has provided a list of each secondary
5 school that the individual attended in the
6 United States; and

7 “(C)(i) has earned a high school diploma,
8 the recognized equivalent of such diploma from
9 a secondary school, or a high school equivalency
10 diploma in the United States or is scheduled to
11 complete the requirements for such a diploma
12 or equivalent before the next academic year be-
13 gins;

14 “(ii) has earned a degree from an institu-
15 tion of higher education or has completed not
16 less than 2 years in a program for a bacca-
17 laureate degree or higher degree at an institu-
18 tion of higher education in the United States
19 and has made satisfactory academic progress,
20 as defined in subsection (c), during such time
21 period;

22 “(iii) at any time was eligible for a grant
23 of deferred action under—

24 “(I) the June 15, 2012, memorandum
25 from the Secretary of Homeland Security

1 entitled ‘Exercising Prosecutorial Discre-
2 tion with Respect to Individuals Who
3 Came to the United States as Children’; or

4 “(II) the November 20, 2014, memo-
5 randum from the Secretary of Homeland
6 Security entitled ‘Exercising Prosecutorial
7 Discretion with Respect to Individuals
8 Who Came to the United States as Chil-
9 dren and with Respect to Certain Individ-
10 uals Who Are the Parents of U.S. Citizens
11 or Permanent Residents’; or

12 “(iv) has served in the uniformed services,
13 as defined in section 101 of title 10, United
14 States Code, for not less than 4 years and, if
15 discharged, received an honorable discharge.

16 “(2) HARDSHIP EXCEPTION.—The Secretary
17 shall issue regulations that direct when the Depart-
18 ment shall waive the requirement of subparagraph
19 (A) or (B), or both, of paragraph (1) for an indi-
20 vidual to qualify as a Dreamer student under such
21 paragraph, if the individual—

22 “(A) demonstrates compelling cir-
23 cumstances for the inability to satisfy the re-
24 quirement of such subparagraph (A) or (B), or
25 both; and

1 “(B) satisfies the requirement of para-
2 graph (1)(C).”.

3 (d) FULL EXCLUSION FROM GROSS INCOME FOR
4 PELL GRANTS.—

5 (1) IN GENERAL.—Section 117(b) of the Inter-
6 nal Revenue Code of 1986 is amended by adding at
7 the end the following new paragraph:

8 “(3) SPECIAL RULE FOR PELL GRANTS.—
9 Amounts received under a Federal Pell Grant under
10 subpart 1 of part A of title IV of the Higher Edu-
11 cation Act of 1965 (20 U.S.C. 1070a et seq.) shall
12 be treated as an amount received as a qualified
13 scholarship notwithstanding whether such amount
14 was used for qualified tuition and related expenses.”.

15 (2) EFFECTIVE DATE.—The amendment made
16 by this subsection shall apply to amounts received in
17 taxable years beginning after the date of the enact-
18 ment of this Act.

19 **TITLE IV—INCLUSIVE STUDENT** 20 **SUCCESS GRANTS**

21 **SEC. 401. INCLUSIVE STUDENT SUCCESS GRANTS.**

22 Part F of title VII of the Higher Education Act of
23 1965, as added by section 101 and amended by sections
24 201 and 202, is further amended by adding at the end
25 the following:

1 **“Subpart 4—Inclusive Student Success Grants**

2 **“SEC. 800. DEFINITIONS.**

3 “In this subpart:

4 “(1) ELIGIBLE STATE.—The term ‘eligible
5 State’ means a State that is a recipient of a grant
6 under subpart 1.

7 “(2) EVIDENCE TIERS.—

8 “(A) EVIDENCE TIER 1.—The term ‘evi-
9 dence tier 1’, when used with respect to a re-
10 form or practice, means a reform or practice
11 that meets the criteria for receiving an expan-
12 sion grant from the education innovation and
13 research program under section 4611(a)(2) of
14 the Elementary and Secondary Education Act
15 of 1965, as determined by the Secretary in ac-
16 cordance with such section.

17 “(B) EVIDENCE TIER 2.—The term ‘evi-
18 dence tier 2’, when used with respect to a re-
19 form or practice, means a reform or practice
20 that meets the criteria for receiving a mid-
21 phase grant from the education innovation and
22 research program under section 4611(a)(2) of
23 the Elementary and Secondary Education Act
24 of 1965, as determined by the Secretary in ac-
25 cordance with such section.

1 “(3) FIRST GENERATION COLLEGE STUDENT.—

2 The term ‘first generation college student’ has the
3 meaning given the term in section 402A(h)(3).

4 “(4) ELIGIBLE INSTITUTION.—The term ‘eligi-
5 ble institution’ means—

6 “(A) an underfunded institution; or

7 “(B) an institution that is—

8 “(i) a part B institution (as defined in
9 section 322);

10 “(ii) a Hispanic-serving institution (as
11 defined in section 502(a));

12 “(iii) an Alaska Native-serving insti-
13 tution (as defined in section 317(b));

14 “(iv) a Native Hawaiian-serving insti-
15 tution (as defined in section 317(b));

16 “(v) a Predominantly Black Institu-
17 tion (as defined in section 318(b));

18 “(vi) an Asian American and Native
19 American Pacific Islander-serving institu-
20 tion (as defined in section 320(b)); or

21 “(vii) a Native American-serving, non-
22 tribal institution (as defined in section
23 319(b)).

1 “(5) TRIBAL COLLEGE OR UNIVERSITY.—The
2 term ‘Tribal College or University’ has the meaning
3 given the term in section 316.

4 “(6) UNDERFUNDED INSTITUTION.—The term
5 ‘underfunded institution’ means a public 2-year in-
6 stitution of higher education or public 4-year institu-
7 tion of higher education that receives less than the
8 national average of State appropriations per full-
9 time equivalent student.

10 **“SEC. 801. INCLUSIVE STUDENT SUCCESS GRANTS.**

11 “(a) IN GENERAL.—The Secretary shall award
12 grants to eligible States and Tribal Colleges and Univer-
13 sities to improve student outcomes by carrying out or scal-
14 ing the activities described in section 804.

15 “(b) DISTRIBUTION OF FUNDS.—From amounts ap-
16 propriated to carry out this subpart, the Secretary shall—

17 “(1) distribute 10 percent of the appropriated
18 amount in any fiscal year for grants to Tribal Col-
19 leges or Universities, which shall be distributed ac-
20 cording to the formula in section 316(d)(3)(B), to
21 carry out the activities described in section 804 to
22 implement reforms or practices that meet evidence
23 tier 1 or evidence tier 2;

1 “(2) use 2 percent of the appropriated amount
2 in any fiscal year to evaluate the effectiveness of the
3 activities carried out under this subpart;

4 “(3) distribute 60 percent of the appropriated
5 amount in any fiscal year to award competitive
6 grants to eligible States to carry out activities de-
7 scribed in section 804;

8 “(4) distribute 18 percent of the appropriated
9 amount in any fiscal year to supplement the com-
10 petitive grant amounts awarded to eligible States
11 under paragraph (3) to implement reforms or prac-
12 tices that meet evidence tier 1; and

13 “(5) distribute 10 percent of the appropriated
14 amount in any fiscal year to supplement the com-
15 petitive grant amounts awarded to eligible States
16 under paragraph (3) to implement reforms or prac-
17 tices that meet evidence tier 1 or evidence tier 2, or
18 a combination of such reforms or practices.

19 **“SEC. 802. APPLICATION.**

20 “(a) IN GENERAL.—An eligible State or Tribal Col-
21 lege or University that desires to receive a grant under
22 this subpart shall submit an application to the Secretary
23 at such time, in such manner, and accompanied by such
24 information as the Secretary may require. The application
25 shall include, at a minimum, a description of—

1 “(1) in the case of an eligible State, how the el-
2 igible State will—

3 “(A) prioritize spending for underfunded
4 institutions in the State and close gaps in State
5 appropriations per full-time equivalent student
6 with respect to institutions in the State de-
7 scribed in section 800(4)(B); and

8 “(B) sustain such reforms or practices;
9 and

10 “(2) in the case of an eligible State or Tribal
11 College or University, how the eligible State or Trib-
12 al College or University will use the funds to imple-
13 ment or expand evidence-based reforms or practices
14 funded by a grant under this subpart to improve
15 student outcomes at eligible institutions in such
16 State or the Tribal College or University.

17 “(b) PRIORITY.—In awarding grants under this sub-
18 part, the Secretary shall give priority to eligible States
19 that propose to use a significant share of grant funds to
20 improve enrollment, retention, transfer, or completion
21 rates or labor market outcomes among students with dis-
22 parate outcomes, such as students of color, low-income
23 students, students with disabilities, students in need of re-
24 mediation, first generation college students, student par-

1 ents, and other underserved student populations in such
2 State.

3 **“SEC. 803. GRANT AMOUNTS.**

4 “In awarding grants under this subpart to eligible
5 States, the Secretary shall determine grant amounts based
6 on the number of students enrolled at eligible institutions
7 in the State who receive a Federal Pell Grant.

8 **“SEC. 804. USE OF GRANT FUNDS.**

9 “An eligible State or Tribal College or University that
10 receives a grant under this subpart shall, directly or in
11 collaboration with institutions of higher education and
12 other nonprofit organizations, use the grant funds to im-
13 plement evidence-based reforms or practices, which may
14 include one or more of the following:

15 “(1) Providing comprehensive academic, career,
16 and student support services, including mentoring,
17 advising, or case management services.

18 “(2) Providing assistance in applying for and
19 accessing direct support services, financial assist-
20 ance, or means-tested benefit programs to meet the
21 basic needs of students.

22 “(3) Providing accelerated learning opportuni-
23 ties, including dual or concurrent enrollment pro-
24 grams and early college high school programs.

1 “(4) Reforming remedial or developmental edu-
2 cation, course scheduling, or credit awarding poli-
3 cies.

4 “(5) Improving transfer pathways between com-
5 munity colleges and 4-year institutions of higher
6 education in the eligible State, or, in the case of a
7 Tribal College or University, between the Tribal Col-
8 lege or University and other institutions of higher
9 education.

10 “(6) Making investments in academic advisors,
11 mental health counselors, trauma-informed care, and
12 tutors.

13 “(7) Reducing class sizes.

14 **“SEC. 805. PROGRAM REQUIREMENTS.**

15 “(a) GOALS.—The Secretary shall require eligible
16 States or Tribal Colleges or Universities that receive funds
17 under this subpart to set goals regarding student out-
18 comes.

19 “(b) PROGRESS.—

20 “(1) NATIONAL PROGRESS.—The Secretary
21 shall track progress in improving student outcomes
22 for eligible States that receive grants under this sub-
23 part, including conducting independent evaluations
24 of support programs funded under this subpart.

1 “(2) STATE PROGRESS.—As a condition of con-
2 tinuing to receive funds under this subpart, for each
3 year in which an eligible State participates in the
4 program under this subpart, the eligible State shall
5 demonstrate to the satisfaction of the Secretary that
6 the eligible State has made adequate progress in im-
7 plementing or expanding evidence-based reforms or
8 practices, and improving enrollment, retention,
9 transfer, or completion rates or labor market out-
10 comes among students with disparate outcomes,
11 such as students of color, low-income students, stu-
12 dents with disabilities, students in need of remedi-
13 ation, first generation college students, student par-
14 ents, and other underserved student populations in
15 such State.

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

21 **“SEC. 806. AUTHORIZATION OF APPROPRIATIONS.**

22 ““There are authorized to be appropriated to carry out
23 this subpart—

24 “(1) such sums as may be necessary for the
25 fourth quarter of fiscal year 2025;

1 “(2) \$10,000,000,000 for fiscal year 2026; and
2 “(3) such sums as may be necessary for each
3 of the following fiscal years.”.

4 **TITLE V—INCREASING SUPPORT**
5 **FOR STUDENTS**

6 **SEC. 501. INCREASING SUCCESS FOR LOW-INCOME AND**
7 **FIRST GENERATION STUDENTS.**

8 (a) AUTHORIZATION OF APPROPRIATIONS FOR FED-
9 ERAL TRIO PROGRAMS.—Section 402A(g) of the Higher
10 Education Act of 1965 (20 U.S.C. 1070a–11(g)) is
11 amended by striking “\$900,000,000 for fiscal year 2009
12 and such sums as may be necessary for each of the five
13 succeeding fiscal years” and inserting “\$3,000,000,000
14 for fiscal year 2026, and such sums as may be necessary
15 for each of fiscal years 2027 through 2035”.

16 (b) AUTHORIZATION OF APPROPRIATIONS FOR GEAR
17 UP PROGRAMS.—Section 404H of the Higher Education
18 Act of 1965 (20 U.S.C. 1070a–28) is amended by striking
19 “\$400,000,000” and all that follows through the period
20 and inserting “\$736,000,000 for fiscal year 2026, and
21 such sums as may be necessary for each of fiscal years
22 2027 through 2029.”.

1 **TITLE VI—INVESTMENTS IN HIS-**
 2 **TORICALLY BLACK COLLEGES**
 3 **AND UNIVERSITIES, TRIBAL**
 4 **COLLEGES OR UNIVERSITIES,**
 5 **AND OTHER MINORITY-SERV-**
 6 **ING INSTITUTIONS**

7 **SEC. 601. APPROPRIATIONS FOR HISTORICALLY BLACK**
 8 **COLLEGES AND UNIVERSITIES, TRIBAL COL-**
 9 **LEGES AND UNIVERSITIES, AND MINORITY-**
 10 **SERVING INSTITUTIONS.**

11 (a) IN GENERAL.—Section 371(b)(1)(A) of the High-
 12 er Education Act of 1965 (20 U.S.C. 1067q(b)(1)(A)) is
 13 amended by striking “\$255,000,000” and all that follows
 14 through the period and inserting “\$510,000,000 for fiscal
 15 year 2026 and each fiscal year thereafter.”.

16 (b) ALLOCATION AND ALLOTMENT.—Section
 17 371(b)(2)(A) of the Higher Education Act of 1965 (20
 18 U.S.C. 1067q(b)(2)(A)) is amended—

19 (1) in clause (i), by striking “100,000,000” and
 20 inserting “200,000,000”;

21 (2) in clause (ii), by striking “100,000,000”
 22 and inserting “200,000,000”; and

23 (3) in clause (iii), by striking “55,000,000” and
 24 inserting “110,000,000”.

1 **TITLE VII—SNYDER ACT**

2 **SEC. 701. RULE OF CONSTRUCTION REGARDING THE SNY-**
3 **DER ACT.**

4 Nothing in this Act, or an amendment made by this
5 Act, shall be construed to change or abrogate the Federal
6 Government’s responsibilities under the Act of November
7 2, 1921 (25 U.S.C. 13), (commonly known as the “Snyder
8 Act”).

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