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

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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.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''College for All Act of 2025''.

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

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

"PART F—COLLEGE FOR ALL

"Subpart 1—Grants for Tuition-Free Public College

"SEC. 783. PURPOSE.

"The purpose of this subpart is to establish a Federal-State partnership with States and Tribal Colleges and Universities to provide for the elimination of tuition and required fees for eligible students.

"SEC. 784. DEFINITIONS.

"In this subpart:

"(1) AWARD YEAR.—The term 'award year' has the meaning given the term in section 481(a).

"(2) COMMUNITY COLLEGE.—

"(A) IN GENERAL.—The term 'community college' means—

"(i) a public institution of higher education at which—

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

"(II) an associate degree is the most frequently awarded degree;

"(ii) a public postsecondary vocational institution, as defined under section 102(c); or

"(iii) at the designation of the Secretary, in the case of a State in which there is no community college operated or controlled by the State that meets a definition under clause (i) or (ii), a college or similarly defined and structured academic entity—

"(I) that was in existence on July 1, 2025;

"(II) within a public 4-year institution of higher education; and

"(III) at which—

"(aa) the highest degree awarded is an associate degree; or

"(bb) an associate degree is the most frequently awarded degree.

"(B) COMMUNITY COLLEGES OPERATED OR CONTROLLED BY A STATE TO INCLUDE COMMUNITY COLLEGES OPERATED OR CONTROLLED BY LOCAL GOVERNMENTS WITHIN THE STATE.—The terms 'community college operated or controlled by a State' and 'community college operated or controlled by the State' includes a community college operated or controlled by a local government within such State.

"(3) COST OF ATTENDANCE.—The term 'cost of attendance' has the meaning given the term in section 472.

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

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

"(6) ELIGIBLE STUDENT.—

"(A) IN GENERAL.—The term 'eligible student' means an individual, regardless of age or immigration status, who has not obtained a baccalaureate degree or higher degree and—

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

“(I) is enrolled, or plans to enroll, as an undergraduate student in an eligible program (as defined in section 481(b)) at a community college in the State in which the individual is a resident or in a 2-year Tribal College or University;

“(II) and who is enrolled in a community college that charges different tuition rates on the basis on residency, either—

“(aa) qualifies for in-State resident tuition at such community college; or

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

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

"(IV) who is eligible to complete the Free Application for Federal Student Aid under section 483(a), has filed such application for the applicable award year for which the student is enrolled; or

"(ii) in the case of a student enrolled in an eligible 4-year institution of higher education—

"(I) is enrolled, or plans to enroll, as an undergraduate student in an eligible program (as defined in section 481(b)) at a public 4-year institution of higher education or in a 4-year Tribal College or University;

"(II) is a working class or middle class student, as described in section 787(a)(3);

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

"(aa) qualifies for in-State resident tuition at such institution; or

"(bb) would qualify for such in-State resident tuition at such institution, but for the student's immigration status;

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

"(V) who is eligible to complete the Free Application for Federal Student Aid under section 483(a), has filed such application for the applicable award year for which the student is enrolled.

"(B) RULE OF CONSTRUCTION.—For purposes of subparagraph (A), in-State resident tuition includes in-district tuition and out-of-district in-State tuition.

"(7) 4-YEAR TRIBAL COLLEGE OR UNIVERSITY.—The term '4-year Tribal College or University' means a Tribal College or University that is not a 2-year Tribal College or University.

"(8) FULL-TIME EQUIVALENT STUDENTS.—The term 'full-time equivalent students' means the sum of the number of students enrolled full time at an institution, plus the full-time equivalent of the number of students enrolled part time (determined on the basis of the quotient of the sum of the credit hours of all part-time students divided by 12) at such institution.

"(9) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' has the meaning given the term in section 101(a).

"(10) NET PRICE.—The term 'net price' means the difference between cost of attendance and the sum of only grants and institutional and State scholarships.

"(11) PUBLIC 4-YEAR INSTITUTION OF HIGHER EDUCATION.—The term 'public 4-year institution of higher education' means a public institution of higher education that is not a community college.

"(12) REVERSE TRANSFER POLICY.—The term 'reverse transfer policy' means a policy or program that allows an institution of higher education to—

"(A) implement a process of retroactively granting a certificate or associate degree to a student who had not completed the requirements for such certificate or degree before the student transferred; or

"(B) allow academic credits for coursework completed at a 4-year institution of higher education to be applied to a previously attended community college for the purpose of obtaining an associate degree or a certificate.

"(13) STATE FISCAL SUPPORT FOR HIGHER EDUCATION.—

"(A) INCLUSIONS.—

"(i) IN GENERAL.—Except as provided in subparagraph (B), the term 'State fiscal support for higher education', used with respect to a State for such State's fiscal year, means an amount that is equal to—

"(I) the amount of applicable State funds appropriated by the State, including funds from lottery receipts, in the fiscal year, that are used to support institutions of higher education and student financial aid for higher education in the State; and

"(II) any funds described in clause (ii), if applicable.

"(ii) LOCAL FUNDS.—In the case of a State that includes, as part of the State share under section 786(b)(2)(B) for an award year, funds provided to community colleges by local governments in such State for the purpose of carrying out this subpart, local funds provided to community colleges operated or controlled by the State for operating expenses (excluding capital expenses, research and development costs, and local funds that are included in the State share under section 786(b)(2)(B)) shall be included in the calculation of the State fiscal support for higher education under clause (i).

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

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

"(ii) State-appropriated funds derived from Federal sources, including funds provided under sections 786(a) and 801;

"(iii) funds that are included in the State share under section 786(b), except as provided in subparagraph (A)(ii), including funds included in the State share in accordance with paragraph (2)(A) of such section;

"(iv) amounts that are portions of multiyear appropriations to be distributed over multiple years that are not to be spent for the year for which the calculation under this paragraph is being made, subject to subparagraph (C);

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

"(vi) funds for—

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

"(aa) out-of-State institutions of higher education (including for the purpose of exclusive online enrollment at an out-of-State institution);

"(bb) proprietary institutions of higher education (as defined in section 102(b)); or "(cc) institutions of higher education not accredited by an agency or association recognized by the Secretary pursuant to section 496;

"(II) financial aid to students awarded predominantly or significantly on the basis of merit;

"(III) research and development; or

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

"(vii) corporate or other private donations directed to 1 or more institutions of higher education permitted to be expended by the State; and

"(viii) any other funds that the Secretary determines shall not be included in the calculation of State fiscal support for higher education for such State.

"(C) ADJUSTMENTS FOR BIENNIAL APPROPRIATIONS.—The Secretary shall make adjustments to the calculations under this paragraph to accurately reflect State fiscal support for higher education in States with 2-year appropriation cycles.

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

"(A) the State fiscal support for higher education for the applicable fiscal year; divided by

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

"(15) TRIBAL COLLEGE OR UNIVERSITY.—The term 'Tribal College or University' has the meaning given the term in section 316(b)(3).

"(16) 2-YEAR TRIBAL COLLEGE OR UNIVERSITY.—The term '2-year Tribal College or University' means—

"(A) a 2-year Tribal College or University; or

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

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

"(ii) at which an associate degree is the most frequently awarded degree.

"SEC. 785. GRANT AWARDS.

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

"SEC. 786. FEDERAL SHARE; STATE SHARE.

"(a) FEDERAL SHARE.—

"(1) IN GENERAL.—

"(A) AMOUNT.—Subject to paragraph (2), the amount of the Federal share of a grant under this subpart shall be based on a formula that provides, for each eligible student enrolled in a community college operated or controlled by a State, a Tribal College or University, or a public 4-year institution of higher education in a State, a per-student amount (based on full-time equivalent enrollment) that is equal to the applicable percentage described in subparagraph (B), or the percentage described in paragraph (2) with respect to a Tribal College or University, of—

"(i) for the 2026–2027 award year, not less than the sum of the product of $5,110 multiplied by the number of eligible students enrolled at such a community college or 2-year Tribal College or University and the product of $11,610 multiplied by the number of eligible students enrolled at such a public 4-year institution of higher education or 4-year Tribal College or University; and

"(ii) for each subsequent award year, the amount determined under this paragraph for the preceding award year, increased by the lesser of—

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

"(II) 3 percent.

"(B) APPLICABLE PERCENT.—The applicable percent for a State receiving a grant under this subpart shall be—

"(i) for the 2026–2027 award year, 100 percent;

"(ii) for the 2027–2028 award year, 95 percent;

"(iii) for the 2028–2029 award year, 90 percent;

"(iv) for the 2029–2030 award year, 85 percent; and

"(v) for the 2030–2031 award year and each subsequent award year, 80 percent.

"(2) TRIBAL COLLEGES AND UNIVERSITIES.—The amount of the Federal share for a Tribal College or University receiving a grant under this subpart shall be the greater of—

"(A) 100 percent of the amount determined in accordance with clause (i) or (ii) of subparagraph (1)(A), as applicable, with respect to eligible students enrolled in such Tribal College or University; or

"(B) the amount that is 100 percent of the total amount needed to fully eliminate tuition and fees for all eligible students enrolled in such Tribal College or University for the 2026–2027 award year, increased by the percentage increase in the Consumer Price Index (as determined by the Secretary) between July 1, 2026, and the applicable award year, and adjusted to reflect the enrollment in such Tribal College or University for such applicable award year.

"(b) STATE SHARE.—

"(1) FORMULA.—

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

"(B) APPLICABLE PERCENT.—The applicable percentage shall be—

"(i) for the 2026–2027 award year, 0 percent;

"(ii) for the 2027–2028 award year, 5 percent;

"(iii) for the 2028–2029 award year, 10 percent;

"(iv) for the 2029–2030 award year, 15 percent; and

"(v) for the 2030–2031 award year and each subsequent award year, 20 percent.

"(C) OBLIGATION TO PROVIDE SHARE.—The State shall provide the State share even if the State is able, without such State share, to fully eliminate tuition and required fees charged to eligible students attending community colleges operated or controlled by the State or public 4-year institutions of higher education in the State.

"(D) NO DOUBLE COUNTING FUNDS.—States shall not count any funds that count toward the maintenance of effort requirement in section 787(b) to also count toward the State share under this subsection.

"(E) SPECIAL RULE FOR OUTLYING AREAS AND TERRITORIES.—

"(i) IN GENERAL.—If the Secretary determines that requiring an outlying area or territory to provide a State share in accordance with this subsection would represent a substantial hardship for the outlying area or territory, the Secretary shall reduce or waive the State share for such area or territory. If the Secretary so reduces or waives the amount of the State share of an outlying area or territory, the Secretary shall increase the applicable percentage used to calculate the Federal share under subsection (a) for such area or territory, in proportion to the reduction in the applicable percentage used to calculate such State share.

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

"(2) INCLUSION OF STATE FINANCIAL AID AND LOCAL FUNDS.—In the case of a State that demonstrates to the satisfaction of the Secretary that community colleges operated or controlled by the State and 4-year public institutions of higher education in the State will not experience a net reduction 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.—

"(A) DETERMINATION.—For purposes of subsections (a) and (b), the Secretary shall, in consultation with the State or Tribal College or University concerned, determine the estimated number of eligible students enrolled in the community colleges operated or controlled by the State and in the public 4-year institutions of higher education in the State or in such Tribal College or University for the applicable award year.

"(B) PROJECTED ENROLLMENT.—If the estimated number of eligible students figure of a State or Tribal College or University under subparagraph (A) is more than 25 percent larger than the eligible students figure for the preceding year, the Secretary shall use an alternative enrollment estimate which shall be used in the formula under subsection (a) for determining the allotment.

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

"(A) in consultation with the State or Tribal College or University concerned, determine the actual number of eligible students enrolled in the community colleges operated or controlled by the State and the public 4-year institutions of higher education in the State or in such Tribal College or University for the year covered by the grant; and

"(B) adjust the Federal share of the grant amount received by the State or Tribal College or University and the State share under subsection (b) to reflect the actual number of eligible students by applying the relevant adjustment to such Federal share or the State share, or both, in the subsequent award year.

"(3) ADDITIONAL FUNDS.—If a State or Tribal College or University provides additional funds toward reducing the cost of attendance and improving instruction beyond the cost of eliminating tuition and required fees as described in paragraphs (2) and (3) of section 787(a) for any award year, and, with respect to a State, such funds amount to more than the State share requirement under subsection (b) and the maintenance of effort requirements in section 787, the Secretary shall provide the State or

Tribal College or University an amount equal to such additional funds provided by the State or Tribal College or University, which amount provided by the Secretary may be used for the activities described in section 790.

"SEC. 787. PROGRAM REQUIREMENTS.

"(a) GENERAL REQUIREMENTS.—In order to receive a grant under this subpart in each award year, a State or Tribal College or University shall comply with the following:

"(1) With respect to a State, ensure that public institutions of higher education in the State maintain expenditures on instruction per full-time equivalent student at levels that are equal to or exceed the expenditures on instruction per full-time equivalent student provided for the 3 most recent consecutive State fiscal years for which data are available.

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

"(A) at community colleges in the State are fully eliminated; or

"(B) if the Tribal College or University is a 2-year Tribal College or University, at such Tribal College or University are fully eliminated.

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

"(A) For award year 2026–2027, the State or Tribal College or University shall fully eliminate tuition and required fees for such students—

"(i) who are dependent students—

"(I) in a single parent household, whose parent's adjusted gross income for the taxable year that is 1 year prior to the taxable year that ends immediately prior to the beginning of the award year is equal to or less than $150,000; or

"(II) with married parents, whose parents' adjusted gross income for the taxable year that is 1 year prior to the taxable year that ends immediately prior to the beginning of the award year is equal to or less than $300,000; and "(ii) who are—

"(I) single independent students, whose adjusted gross income for the taxable year that is 1 year prior to the taxable year that ends immediately prior to the beginning of the award year is equal to or less than $150,000; or

"(II) married independent students, whose adjusted gross income for the taxable year that is 1 year prior to the taxable year that ends immediately prior to the beginning of the award year is equal to or less than $300,000.

"(B) For each award year after award year 2026–2027, the State or a 4-year Tribal College or University shall fully eliminate tuition and required fees for such students in accordance with clauses (i) and (ii) of subparagraph (A), except the gross income amount shall be adjusted for each subsequent year in the same manner as income is adjusted under section 478(b).

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

"(5) Not use any funds provided under this subpart for administrative purposes.

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

"(1) provide State fiscal support for higher education per full-time equivalent student at a level equal to or exceeding the average amount of State fiscal support for higher education per full-time equivalent student provided for the 3 most recent consecutive State fiscal years for which data are available;

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

"(3) maintain State expenditures for need-based financial aid programs for enrollment in institutions of higher education (as defined in section 101) in the State at a level that is equal to or greater than the average amount provided for the 3 most recent consecutive State fiscal years for which data are available.

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

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

"(2) provide an assurance that public institutions of higher education in the State make it a priority to hire from the existing adjunct, contract, contingent, and non-tenure track or tenured faculty pool for tenure-track or tenured faculty positions or other full-time non-contingent instructional positions;

"(3) require that public institutions of higher education in the State provide, for each student enrolled at the institution who receives the maximum Federal Pell Grant award under subpart 1 of part A of title IV, institutional student financial aid (excluding student loans) in an amount equal to the net price owed by such student;

"(4) ensure that public institutions of higher education in the State or the Tribal College or University not adopt policies to reduce enrollment;

"(5) provide an assurance that public institutions of higher education in the State will not charge out-of-State students an amount that exceeds the marginal cost (as determined by the Secretary) of attending institutions of higher education in the State;

"(6) provide an assurance that public institutions of higher education in the State that charge non-eligible in-State students tuition and required fees, will not charge such students a rate that is necessary to continue to fully eliminate tuition and required fees for eligible students; and

"(7) provide an assurance that public institutions of higher education in the State maintain a ratio of 1 to 150 of disability services full-time employees to registered students with disabilities, and that such employees be specifically dedicated to serving students with disabilities.

"(d) ALIGNMENT OF SECONDARY AND HIGHER EDUCATION.—In order to receive a grant under this subpart, a State shall—

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

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

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

"(1) submit a plan to improve transfer pathways among public institutions of higher education in the State, including by—

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

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

"(2) not later than 3 years after the date on which the State first receives a grant under this subpart, certify to the Secretary that the State is carrying out the plan submitted in accordance with paragraph (1) and is meeting the requirements of subparagraphs (A) and (B) of such paragraph.

"(f) NO ADDITIONAL ELIGIBILITY REQUIREMENTS.—No individual shall be determined by a State, a Tribal College or University, or the Secretary, to be ineligible for benefits provided under this subpart (including eliminating tuition and fees, and other aid provided under this subpart), except on the basis of eligibility requirements under this subpart.

"SEC. 788. AUTOMATIC STABILIZER.

"(a) MAINTENANCE OF EFFORT RELIEF.—A State that receives a grant under this subpart may request a waiver of the requirements under section 787(b). Upon request by such a State, the Secretary shall waive the requirements of section 787(b) for the State as follows:

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

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

"(A) the fiscal year for which the determination of the State's eligibility for such relief is made;

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

"(C) both such fiscal years.

"(b) STATE SHARE RELIEF.—

"(1) STATE SHARE RELIEF.—A State that meets the qualifying spending requirement and is eligible for relief under tier II, III, IV, or V may request relief with respect to the requirement of section 786(b)(1)(B). Upon request by such a State, the Secretary shall provide relief from the requirements of section 786(b)(1)(B), for the applicable award year or years, for the State as follows:

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

"(i) section 786(a)(1)(B)(v), by substituting '85 percent' for '80 percent'; and

"(ii) section 786(b)(1)(B)(v), by substituting '15 percent' for '20 percent'.

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

"(i) section 786(a)(1)(B)(iv), by substituting '90 percent' for '85 percent';

"(ii) section 786(a)(1)(B)(v), by substituting '90 percent' for '80 percent';

"(iii) section 786(b)(1)(B)(iv), by substituting '10 percent' for '15 percent'; and

"(iv) section 786(b)(1)(B)(v), by substituting '10 percent' for '20 percent'.

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

"(i) section 786(a)(1)(B)(iii), by substituting '95 percent' for '90 percent';

"(ii) section 786(a)(1)(B)(iv), by substituting '95 percent' for '85 percent';

"(iii) section 786(a)(1)(B)(v), by substituting '95 percent' for '80 percent';

"(iv) section 786(b)(1)(B)(iii), by substituting '5 percent' for '10 percent';

"(v) section 786(b)(1)(B)(iv), by substituting '5 percent' for '15 percent'; and

"(vi) section 786(b)(1)(B)(v), by substituting '5 percent' for '20 percent'.

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

"(i) section 786(a)(1)(B)(ii), by substituting '100 percent' for '95 percent';

"(ii) section 786(a)(1)(B)(iii), by substituting '100 percent' for '90 percent';

"(iii) section 786(a)(1)(B)(iv), by substituting '100 percent' for '85 percent';

"(iv) section 786(a)(1)(B)(v), by substituting '100 percent' for '80 percent';

"(v) section 786(b)(1)(B)(ii), by substituting '0 percent' for '5 percent';

"(vi) section 786(b)(1)(B)(iii), by substituting '0 percent' for '10 percent';

"(vii) section 786(b)(1)(B)(iv), by substituting '0 percent' for '15 percent'; and

"(viii) section 786(b)(1)(B)(v), by substituting '0 percent' for '20 percent'.

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

"(A) the award year for which the determination of the State's eligibility for such relief is made;

"(B) the award year succeeding the award year described in subparagraph (A); or

"(C) both such award years.

"(3) STATE ELIGIBILITY.—A State's eligibility for relief under this section shall be determined as follows:

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

"(i) the State is in an elevated unemployment period at any point in the fiscal year; and "(ii) the State is not eligible for relief under any other tier.

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

"(i)(I) the State average unemployment rate is equal to or greater than 6.5 percent, but less than 7.5 percent, at any point in the fiscal or award year; or

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

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

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

"(i)(I) the State average unemployment rate is equal to or greater than 7.5 percent, but less than 8.5 percent, at any point in the fiscal or award year; or

"(II) the national average unemployment rate is equal to or greater than 7.5

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

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

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

"(i)(I) the State average unemployment rate is equal to or greater than 8.5 percent, but less than 9.5 percent, at any point in the fiscal or award year; or

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

"(ii) the State is not eligible for relief under tier V.

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

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

"(ii) the national average unemployment rate is equal to or greater than 9.5

percent at any point in the fiscal or award year.

"(c) DISCRETION IN THE PROVISION OF RELIEF.—In determining the fiscal years for which to provide relief in accordance with subsection (a)(2), or the award years for which to provide relief in accordance with subsection (b), to a State that is eligible under tier II, III, IV or V, the Secretary shall take into account the following:

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

"(A) if the State requests such relief for the fiscal year for which the determination of the State's eligibility for such relief is made, the amount by which the State is unable to meet the requirements of section 787(b) for such fiscal year; and

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

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

"(A) if the State requests such relief for the award year for which the determination of the State's eligibility for such relief is made, the extent to which the State is unable to meet the requirements of section 786(b)(1)(B) for such award year; and

"(B) if the State requests such relief for the award year succeeding the year described in subparagraph (A), the extent to which the State anticipates being unable to meet such requirements for such succeeding award year.

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

"(A) the fiscal or award year, as applicable, for which the determination of the State's eligibility for such relief is made;

"(B) the fiscal or award year, as applicable, succeeding the fiscal or award year described in subparagraph (A); and

"(C) the fiscal or award year, as applicable, preceding the fiscal or award year described in subparagraph (A).

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

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

"(e) DEFINITIONS.—In this section:

"(1) ELEVATED UNEMPLOYMENT PERIOD.—The term 'elevated unemployment period' means a consecutive 3-month period in a fiscal year in which the State average unemployment rate is not less than 0.5 percentage points above the lowest State average unemployment rate for the 12-month period preceding such 3-month period.

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

"(3) QUALIFYING SPENDING REQUIREMENT.—The term 'qualifying spending requirement' means the requirement that a State not disproportionately decrease spending for any of the categories described in subparagraphs (1) through (3) of section 787(b) relative to such State's overall, average decrease in spending for the 3 consecutive preceding fiscal years.

"(4) STATE AVERAGE UNEMPLOYMENT RATE.—The term 'State average unemployment rate' means the average (seasonally adjusted) rate of total unemployment in a State for a consecutive 3-month period in a fiscal year.

"SEC. 789. APPLICATIONS.

"In order to receive a grant under this subpart, a State or Tribal College or University shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require. In the case of a State, such application shall be submitted by the State agency with jurisdiction over higher education or another agency designated by the Governor or chief executive of the State to administer the program under this subpart.

"SEC. 790. USE OF FUNDS.

"(a) IN GENERAL.—A State or Tribal College or University that receives a grant under this subpart shall use the grant funds and the State share funds required under this subpart—

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

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

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

"(b) REMAINING FUNDS.—Once tuition and required fees have been fully eliminated pursuant to subsection (a), a State or Tribal College or University that receives a grant under this subpart shall use any remaining grant funds to reduce the cost of attendance and increase the quality of instruction and student support services at public institutions of higher education in the State or at the Tribal College or University by carrying out any of the following:

"(1) Providing additional non-loan financial aid to students to help reduce unmet need, which may include need-based student financial aid or emergency financial aid grants to students attending a public institution of higher education in such State, or such Tribal College or University, for any component of such students' cost of attendance.

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

"(3) Expanding academic course offerings and providing high-quality occupational skills training programs to students.

"(4) Increasing the number and percentage of tenure or tenure-track faculty.

"(5) Providing all faculty with professional supports to help students succeed, such as professional development opportunities, including providing—

"(A) culturally inclusive and identity-safe learning environments;

"(B) work spaces; and

"(C) shared governance in the institution.

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

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

"(8) Expanding access to dual or concurrent enrollment programs and early college high school programs.

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

"(10) Carrying out any other additional activities that improve instructional quality and academic outcomes for students as approved by the Secretary through a peer review process.

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

"(1) for the construction of a nonacademic facility, such as a student center or stadium;

"(2) for merit-based student financial aid;

"(3) for need-based student financial aid (except to the extent funds are available under section 786(c)(3));

"(4) to pay the salaries or benefits of school administrators;

"(5) for capital outlays or deferred maintenance; or

"(6) for expenditures on athletics other than activities open to all members of the campus community.

"(d) SUPPLEMENT, NOT SUPPLANT.—Except as provided in section 786(b)(2)(A), funds made available under this subpart shall be used to supplement, and not supplant, other Federal, State, Tribal, local, and institutional funds that would otherwise be expended to carry out activities described in this subpart.

"(e) CONTINUATION OF FUNDING.—

"(1) IN GENERAL.—Except as provided in paragraph (2), a State or a Tribal College or University receiving a grant under this subpart for an award year may continue to receive funding under this subpart for subsequent award years conditioned on meeting the requirements of the grant, as determined by the Secretary.

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

"(f) Rule of Construction Regarding BIE Funds.—Nothing in this subpart shall be construed to impact the availability of funds from, or uses of funds provided by, the Bureau of Indian Education for Tribal Colleges and Universities.

"SEC. 791. AUTHORIZATION OF APPROPRIATIONS.

"(a) In General.—There are authorized to be appropriated, and there are appropriated, to carry out this subpart—

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

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

"(b) Supplemental Funds.—

"(1) In general.—In addition to amounts otherwise available, there is appropriated for fiscal year 2026, out of any money in the Treasury not otherwise appropriated, not more than $9,844 per student enrolled at 4-year public institutions of higher education and not more than $6,073 per student enrolled at community colleges, to remain available until September 30, 2031, for the Secretary to award grants to all States that have resident tuition and fees at community colleges or public 4-year institutions of higher education that are higher than the national average tuition and fees at community colleges or public 4-year institutions of higher education in award year 2026–2027, for the purpose of supporting such States' ability to participate in the program under this subpart.

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

TITLE II—GRANT PROGRAM TO ELIMINATE TUITION AND FEES FOR ELIGIBLE STUDENTS AT PRIVATE NONPROFIT HISTORICALLY 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.

Part F of title VII of the Higher Education Act of 1965, as added by section 101, is further amended by adding at the end the following:

"Subpart 2—Grant Program To Eliminate Tuition and Fees for Eligible Students at Private Nonprofit Historically Black Colleges and Universities and Minority-Serving Institutions

"SEC. 795. DEFINITIONS.

"In this subpart:

"(1) ELIGIBLE INSTITUTION.—

"(A) IN GENERAL.—Except as provided in 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.

"(B) CONTINUING ELIGIBILITY.—The Secretary shall determine whether an institution is an 'eligible institution' under subparagraph (A) based on the most recent data available, and shall review such determination annually to ensure that the institution continues to meet the requirements for participation under this subpart.

"(C) 2-YEAR INSTITUTION.—The term '2-year institution' means an institution at which an associate degree is the most frequently awarded degree.

"(D) 4-YEAR INSTITUTION.—The term '4-year institution' means an institution of higher education (as defined under section 101(a)) that is not a 2-year institution.

"(E) EXCEPTION.—

"(i) IN GENERAL.—An eligible institution as described in subparagraph (A) shall not be an eligible institution for purposes of this section for the period described in clause (ii) if such institution was a for-profit institution at any time that converted to a nonprofit institution.

"(ii) PERIOD OF INELIGIBILITY.—An institution described under clause (i) shall not be an eligible institution for purposes of this section for a period of 25 years from the date the institution converted from being a for-profit institution to a nonprofit institution or 25 years after the date of enactment of this subpart, whichever period is longer.

"(2) ELIGIBLE STUDENT.—

"(A) IN GENERAL.—The term 'eligible student' means a student enrolled in an eligible institution who has not obtained a baccalaureate degree or a higher degree and—

"(i) for the first award year of the program under this subpart, if the student—

"(I) is a dependent student—

"(aa) in a single parent household, the student's parent's adjusted gross income for the taxable year that is 1 year prior to the taxable year that ends immediately prior to the beginning of the award year is equal to or less than $150,000; or

"(bb) with married parents, the student's parents' adjusted gross income for the taxable year that is 1 year prior to the taxable year that ends immediately prior to the beginning of the award year is equal to or less than $300,000; and

"(II) is a—

"(aa) single independent student, the student's adjusted gross income for the taxable year that is 1 year prior to the taxable year that ends immediately prior to the beginning of the award year is equal to or less than $150,000; or

"(bb) married independent student, the student's adjusted gross income for the taxable year that is 1 year prior to the taxable year that ends immediately prior to the beginning of the award year is equal to or less than $300,000; and

"(ii) for each award year after the first award year of the program under this subpart, if the student—

"(I) is a dependent student, the student's parents' adjusted gross income for the taxable year that is 1 year prior to the taxable year that ends immediately prior to the beginning of the award year is equal to or less than the applicable amount; and

"(II) is an independent student, the student's adjusted gross income for the taxable year that is 1 year prior to the taxable year that ends immediately prior to the beginning of the award year is equal to or less than the applicable amount.

"(B) APPLICABLE AMOUNT.—In this paragraph, the term 'applicable amount' means an amount equal to, for any award year beginning after the first award year of the program under this subpart, the income amount determined under this paragraph for the preceding award year adjusted in the same manner as income is adjusted under section 478(b).

"(3) FULL-TIME EQUIVALENT ELIGIBLE STUDENTS.—The term 'full-time equivalent eligible students' means the sum of the number of eligible students projected to enroll full time at an institution for an award year, plus the full-time equivalent of the number of eligible students projected to be enrolled part time (determined on the basis of the quotient of the sum of the credit hours of all part-time eligible students divided by 12) at such institution, for such award year.

"SEC. 796. AUTHORIZATION OF GRANT PROGRAM.

"Beginning with award year 2026–2027, from amounts appropriated to carry out this subpart for any fiscal year, the Secretary shall award grants to eligible institutions to enable the eligible institutions to eliminate tuition and required fees for eligible students.

"SEC. 797. GRANT TERMS.

"(a) GRANT AMOUNT.—

"(1) IN GENERAL.—For each year for which an eligible institution participates in the grant program under this subpart, such eligible institution shall receive a grant in an amount equal to—

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

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

"(ii) for each subsequent award year, the amount determined under this subparagraph for the preceding award year, increased by the lesser of—

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

"(II) 3 percent; or

"(B) in the case of an eligible institution that is a 4-year institution, the product of the number of eligible students enrolled in such institution multiplied by—

"(i) for the 2026–2027 award year, $11,610; and

"(ii) for each subsequent award year, the amount determined under this subparagraph for the preceding award year, increased by the lesser of—

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

"(II) 3 percent.

"(2) LIMITATIONS ON TUITION HIKES.—

"(A) FIRST AWARD YEAR.—For the first award year for which an eligible institution applies for a grant under this subpart, such eligible institution shall not increase tuition and required fees at a rate that is greater than any annual increase in tuition and required fees at the eligible institution for the 5 years preceding such first award year.

"(B) SUCCEEDING AWARD YEARS.—

"(i) IN GENERAL.—For each award year after the first award year for which an eligible institution receives a grant under this subpart, such eligible institution shall not increase tuition and required fees from the preceding award year at a rate that is greater than the percentage increase in the Employment Cost Index for the award year for which the grant is received, as compared to the Employment Cost Index for the award year preceding the award year for which the grant is received.

"(ii) EMPLOYMENT COST INDEX.—In this subparagraph, the term 'Employment Cost Index', when used with respect to an award year, means the Employment Cost Index for total compensation for private industry workers by bargaining status and census region and division (not seasonally adjusted) of the division in which the eligible institution is located, as provided by the Bureau of Labor Statistics of the Department of Labor, that is provided for the December that immediately precedes the start of the award year.

"(3) DATA ADJUSTMENTS.—

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

"(i) provides the necessary eligible student enrollment data at the start of the award year; and

"(ii) initially receives grant funds, as calculated under this subsection, based on such data.

"(B) ADJUSTMENT OF GRANT AMOUNT.—For each year for which an eligible institution receives a grant under this subpart, the Secretary shall, once final enrollment data for such year are available—

"(i) in consultation with the eligible institution concerned, determine the actual number of full-time equivalent eligible students for the year covered by the grant; and

"(ii) adjust the grant amount received by the eligible institution to reflect the actual number of full-time equivalent eligible students by applying the relevant adjustment to such grant amount in the subsequent award year in accordance with subparagraph (C).

"(C) CALCULATION OF ADJUSTMENTS.—If the actual full-time equivalent eligible students figure for the preceding award year reported under subparagraph (B)—

"(i) exceeds the projected enrollment that was used for determining the allotment under paragraph (1) for the preceding award year, notwithstanding any other provision of this Act, the grant amount for the subsequent award year for the eligible institution shall be increased to reflect such actual enrollment, which figure shall be increased by the Gross Domestic Product Price Index of the State in which the eligible institution is located; or

"(ii) is below the projected enrollment that was used for determining the allotment under paragraph (1) for the preceding award year, notwithstanding any other provision of this Act, the grant amount for the subsequent award year for the eligible institution shall be decreased to reflect such actual enrollment, which figure shall be increased by the average interest rate on 5-year United States Treasury securities issued during the preceding award year.

"(b) APPLICATION.—An eligible institution that desires to receive a grant under this subpart shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

"(c) TRANSFER REQUIREMENT.—In the case of an eligible institution that is a 4-year institution that receives a grant under this subpart and enrolls students who transfer from another institution, the institution shall—

"(1) commit to increasing the transferability of individual courses within certificate or associate programs offered by community colleges in the State to related baccalaureate programs offered by such institution to maximize the transferability of credits for students who transfer before completing an associate degree; and

"(2) maintain a formal, statewide articulation agreement with community colleges in the State in which such institution operates that, at a minimum, ensures that associate degrees awarded by community colleges in the State are fully transferable to, and credited as the first 2 years of related baccalaureate programs at, such institution.

"(d) USE OF FUNDS.—

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

"(A) except as provided in paragraph (3), eliminate tuition and required fees for eligible students enrolled in the eligible institution during any period for which the institution receives a grant under this subpart;

"(B) maintain expenditures on instruction per a full-time equivalent eligible student at levels that meet or exceed the expenditures on instruction per a full-time equivalent eligible student for award year 2025–2026; and

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

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

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

"(B) for merit-based or need-based student financial aid;

"(C) to pay the salaries or benefits of school administrators;

"(D) for capital outlays or deferred maintenance; or

"(E) for expenditures on athletics other than activities open to all members of the campus community.

"(3) EXCEPTION.—An eligible institution that receives a grant under this subpart and that does not have authority to set the tuition and required fees for eligible students enrolled in the eligible institution shall provide tuition assistance to eligible students enrolled in the eligible institution during any period for which the institution receives a grant under this subpart in an amount equal to the grant amount determined under subsection (a)(1).

"(e) ASSURANCES.—An eligible institution that receives a grant under this subpart shall provide an assurance to the Secretary that the institution will—

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

"(2) not adopt policies to reduce enrollment.

"(f) SUPPLEMENT, NOT SUPPLANT.—Funds made available to carry out this subpart shall be used to supplement, and not supplant, other Federal, State, Tribal, local, and institutional funds that would otherwise be expended to carry out activities under this subpart.

"(g) NO ADDITIONAL ELIGIBILITY REQUIREMENTS.—No individual shall be determined, by an eligible institution or the Secretary, to be ineligible for benefits provided under this subpart except on the basis of eligibility requirements under this subpart.

"SEC. 798. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated, and there are appropriated, to carry out this subpart—

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

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

SEC. 202. NORTHERN MARIANA ISLANDS, AMERICAN SAMOA, UNITED STATES VIRGIN ISLANDS, GUAM, AND FREELY ASSOCIATED STATES COLLEGE ACCESS.

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

"Subpart 3—College Access for Students in Outlying Areas

"SEC. 799. NORTHERN MARIANA ISLANDS, AMERICAN SAMOA, UNITED STATES VIRGIN ISLANDS, GUAM, AND FREELY ASSOCIATED STATES COLLEGE ACCESS.

"(a) GRANTS.—

"(1) GRANT AMOUNTS.—

"(A) IN GENERAL.—Beginning with award year 2026–2027, from amounts appropriated to carry out this section, the Secretary shall award grants to the Governors of each outlying area for such Governors to award grants to eligible institutions that enroll eligible students to pay the difference between the tuition and fees charged for in-State students and the tuition and fees charged for out-of-State students on behalf of each eligible student enrolled in the eligible institution.

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

"(i) not more than $15,950 for any one award year (as defined in section 481(a)(1)); and "(ii) not more than $79,750 in the aggregate.

"(C) PRORATION.—The Governor shall prorate payments under this section with respect to eligible students who attend an eligible institution on less than a full-time basis.

"(2) AGREEMENT.—Each Governor desiring a grant under this section shall enter into an agreement with the Secretary for the purposes of administering the grant program.

"(b) NO ADDITIONAL ELIGIBILITY REQUIREMENTS.—No individual shall be determined, by a Governor, an eligible institution, or the Secretary, to be ineligible for benefits provided under this section except on the basis of eligibility requirements under this section.

"(c) DEFINITIONS.—In this section:

"(1) ELIGIBLE INSTITUTION.—The term 'eligible institution' means an institution that—

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

"(B) enters into an agreement with the Governor of an outlying area, or with 2 or more of such Governors (except that such institution may not enter into an agreement with the Governor of the outlying area in which such institution is located), to carry out the grant program under this section; and

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

"(2) ELIGIBLE STUDENT.—The term 'eligible student' means a student who—

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

"(B) has not completed an undergraduate baccalaureate course of study; and

"(C) is enrolled as an undergraduate student in an eligible program (as defined in section 481(b)) on at least a half-time basis.

"(3) GOVERNOR.—The term 'Governor' means 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 or a Tribal College or University described in section 316(b)(3), $14,790; or

"(ii) in the case of an eligible student who is in attendance at an institution of higher education not described in clause (i), $7,395.

"(B) SUBSEQUENT AWARD YEARS.—For award year 2027–2028, and each subsequent award year, the total maximum Federal Pell Grant shall be equal to the total maximum Federal Pell Grant for the preceding award year (applicable to the institution at which the eligible student is in attendance)—

"(i) increased by the annual adjustment percentage for the award year for which the amount under this subparagraph is being determined; and

"(ii) rounded to the nearest $5.

"(C) DEFINITION OF ANNUAL ADJUSTMENT PERCENTAGE.—In this paragraph, the term 'annual adjustment percentage,' as applied to an award year, is equal to the estimated percentage increase in the Consumer Price Index (as determined by the Secretary, using the definition in section 478(f)) for the most recent calendar year ending prior to the beginning of that award year.

"(6) APPROPRIATION OF FUNDS.—There are authorized to be appropriated, and there are appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for fiscal year 2026 and each subsequent fiscal year to provide the maximum Federal Pell Grant for which a student shall be eligible under this section during an award year.

"(7) NO EFFECT ON PREVIOUS APPROPRIATIONS.—The amendments made to this section by the FAFSA Simplification Act shall not—

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

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

(2) in subsection (d)(5)(A), by striking "shall not exceed 12 semesters, or the equivalent of 12 semesters, as determined by the Secretary by regula-

tion'' and inserting ''shall not exceed 7 years and 6 months'';

(3) in subsection (f), by striking ''Any disbursement allowed to be made by crediting the student's account shall be limited to tuition and fees, and food and housing if that food and housing is institutionally owned or operated. The student may elect to have the institution provide other such goods and services by crediting the student's account.'' and inserting ''Payments under this section may be used by the student for living and nontuition expenses.'';

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

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

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

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

''(5) be—

''(A) a citizen or national of the United States, a permanent resident of the United States, or able to provide evidence from the Immigration and Naturalization Service that he or she is in the United States for other than a temporary purpose with the intention of becoming a citizen or permanent resident, or be a Dreamer student, as defined in subsection (u); or

"(B) in the case of eligibility to receive a Federal Pell Grant, a citizen or national of the United States, a permanent resident of the United States, able to provide evidence from the Immigration and Naturalization Service that he or she is in the United States for other than a temporary purpose with the intention of becoming a citizen or permanent resident, a Dreamer student (as defined in subsection (u)), or subject to a grant of deferred enforced departure, a grant of deferred action pursuant to the Deferred Action for Childhood Arrivals policy announced by the Secretary of Homeland Security on June 15, 2012, or temporary protected status under section 244 of the Immigration and Nationality Act (8 U.S.C. 1254a); and"; and

(2) by adding at the end the following:

"(u) DREAMER STUDENTS.—

"(1) IN GENERAL.—In this section, the term 'Dreamer student' means an individual who—

"(A) was younger than 16 years of age on the date on which the individual initially entered the United States;

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

"(C)(i) has earned a high school diploma, the recognized equivalent of such diploma from a secondary school, or a high school equivalency diploma in the United States or is scheduled to complete the requirements for such a diploma or equivalent before the next academic year begins;

"(ii) has earned a degree from an institution of higher education or has completed not less than 2 years in a program for a baccalaureate degree or higher degree at an institution of higher education in the United States and has made satisfactory academic progress, as defined in subsection (c), during such time period;

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

"(I) the June 15, 2012, memorandum from the Secretary of Homeland Security entitled ‘Exercising Prosecutorial Discretion with Respect to Individuals Who Came to the United States as Children’; or

“(II) the November 20, 2014, memorandum from the Secretary of Homeland Security entitled ‘Exercising Prosecutorial Discretion with Respect to Individuals Who Came to the United States as Children and with Respect to Certain Individuals Who Are the Parents of U.S. Citizens or Permanent Residents’; or

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

“(2) HARDSHIP EXCEPTION.—The Secretary shall issue regulations that direct when the Department shall waive the requirement of subparagraph (A) or (B), or both, of paragraph (1) for an individual to qualify as a Dreamer student under such paragraph, if the individual—

“(A) demonstrates compelling circumstances for the inability to satisfy the requirement of such subparagraph (A) or (B), or both; and

"(B) satisfies the requirement of paragraph (1)(C).".

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

(1) IN GENERAL.—Section 117(b) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

"(3) SPECIAL RULE FOR PELL GRANTS.—Amounts received under a Federal Pell Grant under subpart 1 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070a et seq.) shall be treated as an amount received as a qualified scholarship notwithstanding whether such amount was used for qualified tuition and related expenses.".

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to amounts received in taxable years beginning after the date of the enactment of this Act.

TITLE IV—INCLUSIVE STUDENT SUCCESS GRANTS

SEC. 401. INCLUSIVE STUDENT SUCCESS GRANTS.

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

"Subpart 4—Inclusive Student Success Grants

"SEC. 800. DEFINITIONS.

"In this subpart:

"(1) ELIGIBLE STATE.—The term 'eligible State' means a State that is a recipient of a grant under subpart 1.

"(2) EVIDENCE TIERS.—

"(A) EVIDENCE TIER 1.—The term 'evidence tier 1', when used with respect to a reform or practice, means a reform or practice that meets the criteria for receiving an expansion grant from the education innovation and research program under section 4611(a)(2) of the Elementary and Secondary Education Act of 1965, as determined by the Secretary in accordance with such section.

"(B) EVIDENCE TIER 2.—The term 'evidence tier 2', when used with respect to a reform or practice, means a reform or practice that meets the criteria for receiving a mid-phase grant from the education innovation and research program under section 4611(a)(2) of the Elementary and Secondary Education Act of 1965, as determined by the Secretary in accordance with such section.

"(3) FIRST GENERATION COLLEGE STUDENT.—The term 'first generation college student' has the meaning given the term in section 402A(h)(3).

"(4) ELIGIBLE INSTITUTION.—The term 'eligible institution' means—

"(A) an underfunded institution; or

"(B) an institution that is—

"(i) a part B institution (as defined in section 322);

"(ii) a Hispanic-serving institution (as defined in section 502(a));

"(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 318(b));

"(vi) an Asian American and Native American Pacific Islander-serving institution (as defined in section 320(b)); or

"(vii) a Native American-serving, nontribal institution (as defined in section 319(b)).

"(5) TRIBAL COLLEGE OR UNIVERSITY.—The term 'Tribal College or University' has the meaning given the term in section 316.

"(6) UNDERFUNDED INSTITUTION.—The term 'underfunded institution' means a public 2-year institution of higher education or public 4-year institution of higher education that receives less than the national average of State appropriations per full-time equivalent student.

"SEC. 801. INCLUSIVE STUDENT SUCCESS GRANTS.

"(a) IN GENERAL.—The Secretary shall award grants to eligible States and Tribal Colleges and Universities to improve student outcomes by carrying out or scaling the activities described in section 804.

"(b) DISTRIBUTION OF FUNDS.—From amounts appropriated to carry out this subpart, the Secretary shall—

"(1) distribute 10 percent of the appropriated amount in any fiscal year for grants to Tribal Colleges or Universities, which shall be distributed according to the formula in section 316(d)(3)(B), to carry out the activities described in section 804 to implement reforms or practices that meet evidence tier 1 or evidence tier 2;

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

"(3) distribute 60 percent of the appropriated amount in any fiscal year to award competitive grants to eligible States to carry out activities described in section 804;

"(4) distribute 18 percent of the appropriated amount in any fiscal year to supplement the competitive grant amounts awarded to eligible States under paragraph (3) to implement reforms or practices that meet evidence tier 1; and

"(5) distribute 10 percent of the appropriated amount in any fiscal year to supplement the competitive grant amounts awarded to eligible States under paragraph (3) to implement reforms or practices that meet evidence tier 1 or evidence tier 2, or a combination of such reforms or practices.

"SEC. 802. APPLICATION.

"(a) IN GENERAL.—An eligible State or Tribal College or University that desires to receive a grant under this subpart shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require. The application shall include, at a minimum, a description of—

"(1) in the case of an eligible State, how the eligible State will—

"(A) prioritize spending for underfunded institutions in the State and close gaps in State appropriations per full-time equivalent student with respect to institutions in the State described in section 800(4)(B); and

"(B) sustain such reforms or practices; and

"(2) in the case of an eligible State or Tribal College or University, how the eligible State or Tribal College or University will use the funds to implement or expand evidence-based reforms or practices funded by a grant under this subpart to improve student outcomes at eligible institutions in such State or the Tribal College or University.

"(b) PRIORITY.—In awarding grants under this subpart, the Secretary shall give priority to eligible States that propose to use a significant share of grant funds to improve enrollment, retention, transfer, or completion rates or labor market outcomes among students with disparate outcomes, such as students of color, low-income students, students with disabilities, students in need of remediation, first generation college students, student parents, and other underserved student populations in such State.

"SEC. 803. GRANT AMOUNTS.

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

"SEC. 804. USE OF GRANT FUNDS.

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

"(1) Providing comprehensive academic, career, and student support services, including mentoring, advising, or case management services.

"(2) Providing assistance in applying for and accessing direct support services, financial assistance, or means-tested benefit programs to meet the basic needs of students.

"(3) Providing accelerated learning opportunities, including dual or concurrent enrollment programs and early college high school programs.

"(4) Reforming remedial or developmental education, course scheduling, or credit awarding policies.

"(5) Improving transfer pathways between community colleges and 4-year institutions of higher education in the eligible State, or, in the case of a Tribal College or University, between the Tribal College or University and other institutions of higher education.

"(6) Making investments in academic advisors, mental health counselors, trauma-informed care, and tutors.

"(7) Reducing class sizes.

"SEC. 805. PROGRAM REQUIREMENTS.

"(a) GOALS.—The Secretary shall require eligible States or Tribal Colleges or Universities that receive funds under this subpart to set goals regarding student outcomes.

"(b) PROGRESS.—

"(1) NATIONAL PROGRESS.—The Secretary shall track progress in improving student outcomes for eligible States that receive grants under this subpart, including conducting independent evaluations of support programs funded under this subpart.

"(2) STATE PROGRESS.—As a condition of continuing to receive funds under this subpart, for each year in which an eligible State participates in the program under this subpart, the eligible State shall demonstrate to the satisfaction of the Secretary that the eligible State has made adequate progress in implementing or expanding evidence-based reforms or practices, and improving enrollment, retention, transfer, or completion rates or labor market outcomes among students with disparate outcomes, such as students of color, low-income students, students with disabilities, students in need of remediation, first generation college students, student parents, and other underserved student populations in such State.

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

"SEC. 806. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this subpart—

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

"(2) $10,000,000,000 for fiscal year 2026; and

"(3) such sums as may be necessary for each of the following fiscal years.".

TITLE V—INCREASING SUPPORT FOR STUDENTS

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

(a) AUTHORIZATION OF APPROPRIATIONS FOR FEDERAL TRIO PROGRAMS.—Section 402A(g) of the Higher Education Act of 1965 (20 U.S.C. 1070a–11(g)) is amended by striking "$900,000,000 for fiscal year 2009 and such sums as may be necessary for each of the five succeeding fiscal years" and inserting "$3,000,000,000 for fiscal year 2026, and such sums as may be necessary for each of fiscal years 2027 through 2035".

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

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.

(a) IN GENERAL.—Section 371(b)(1)(A) of the Higher Education Act of 1965 (20 U.S.C. 1067q(b)(1)(A)) is amended by striking ‘‘$255,000,000’’ and all that follows through the period and inserting ‘‘$510,000,000 for fiscal year 2026 and each fiscal year thereafter.’’.

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

(1) in clause (i), by striking ‘‘100,000,000’’ and inserting ‘‘200,000,000’’;

(2) in clause (ii), by striking ‘‘100,000,000’’ and inserting ‘‘200,000,000’’; and

(3) in clause (iii), by striking ‘‘55,000,000’’ and inserting ‘‘110,000,000’’.

TITLE VII—SNYDER ACT

SEC. 701. RULE OF CONSTRUCTION REGARDING THE SNYDER ACT.

Nothing in this Act, or an amendment made by this Act, shall be construed to change or abrogate the Federal Government's responsibilities under the Act of November 2, 1921 (25 U.S.C. 13), (commonly known as the "Snyder Act").

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