Suspend the Rules and Pass the Bill, H.R. 6585, with an Amendment
(The amendment strikes all after the enacting clause and inserts a new text)

118TH CONGRESS
2D Session

H. R. 6585

To amend the Higher Education Act of 1965 to extend Federal Pell Grant eligibility to certain short-term workforce programs.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 5, 2023

Ms. STEFANIK (for herself, Ms. FOXX, Mr. SCOTT of Virginia, and Mr. DESAULNIER) introduced the following bill; which was referred to the Committee on Education and the Workforce

A BILL

To amend the Higher Education Act of 1965 to extend Federal Pell Grant eligibility to certain short-term workforce programs.

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

SECTION 1. SHORT TITLE; EFFECTIVE DATE; REFERENCES.

(a) Short Title.—This Act may be cited as the “Bipartisan Workforce Pell Act”.

(b) Effective Date; Applicability.—The amendments to the Higher Education Act of 1965 (20 U.S.C.
1001 et seq.) made by this Act shall take effect on July 1, 2024, and shall apply with respect to award year 2025–2026 and each succeeding award year.

(c) REFERENCES.—Except as otherwise expressly provided, whenever in this Act an amendment, repeal, or reference is expressed in terms of an amendment to, repeal of, or reference to, a section or other provision, the amendment, repeal, or reference shall be considered to be made to a section or other provision of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

SEC. 2. WORKFORCE PELL GRANTS.

Section 401 (20 U.S.C. 1070a) is amended by adding at the end the following:

“(k) WORKFORCE PELL GRANT PROGRAM.—

“(1) IN GENERAL.—For the award year beginning on July 1, 2025, and each subsequent award year, the Secretary shall award grants (to be known as ‘Workforce Pell Grants’) to eligible students under paragraph (2) in accordance with this subsection.

“(2) ELIGIBLE STUDENTS.—To be eligible to receive a Workforce Pell Grant under this subsection for any period of enrollment, a student shall meet the eligibility requirements for a Federal Pell Grant under this section, except that the student—
“(A) shall be enrolled, or accepted for enrollment, in an eligible program under section 481(b)(3) (hereinafter referred to as an ‘eligible workforce program’); and

“(B) may not—

“(i) be enrolled, or accepted for enrollment, in a program of study that leads to a master’s degree, doctoral degree, or other post-graduate degree; or

“(ii) have attained such a degree.

“(3) TERMS AND CONDITIONS OF AWARDS.—

The Secretary shall award Workforce Pell Grants under this subsection in the same manner and with the same terms and conditions as the Secretary awards Federal Pell Grants under this section, except that—

“(A) each use of the term ‘eligible program’ shall be substituted by ‘eligible workforce program under section 481(b)(3)’, other than with respect to—

“(i) paragraph (9)(A) of such subsection; and

“(ii) subsection (d)(2); and

“(B) a student who is eligible for a grant equal to less than the amount of the minimum
Federal Pell Grant because the eligible work-force program in which the student is enrolled or accepted for enrollment is less than an academic year (in hours of instruction or weeks of duration) may still be eligible for a Workforce Pell Grant in an amount that is prorated based on the length of the program.

“(4) Prevention of Double Benefits.—No eligible student described in paragraph (2) may concurrently receive a grant under both this subsection and—

“(A) subsection (b); or

“(B) subsection (c).

“(5) Duration Limit.—Any period of study covered by a Workforce Pell Grant awarded under this subsection shall be included in determining a student’s duration limit under subsection (d)(5).”.

SEC. 3. PROGRAM ELIGIBILITY FOR WORKFORCE PELL GRANTS.

Section 481(b) (20 U.S.C. 1088(b)) is amended—

(1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(2) by inserting after paragraph (2) the following:
“(3)(A) A program is an eligible program for purposes of the Workforce Pell Grant program under section 401(k) only if—

“(i) it is a program of at least 150 clock hours of instruction, but less than 600 clock hours of instruction, or an equivalent number of credit hours, offered during a minimum of 8 weeks, but less than 15 weeks;

“(ii) it is not offered as a correspondence course, as defined in 600.2 of title 34, Code of Federal Regulations (as in effect on September 20, 2020);

“(iii) the State board makes a determination that the program—

“(I) provides an education aligned with the requirements of high-skill, high-wage (as identified by the State pursuant to section 122 of the Carl D. Perkins Career and Technical Education Act (20 U.S.C. 2342)), or in-demand industry sectors or occupations;

“(II) meets the hiring requirements of potential employers in the
sectors or occupations described in subclause (I); and

“(III) satisfies any applicable educational prerequisite requirement for professional licensure or certification in the State or States in which the program is offered, as applicable, such that a student who completes the program is qualified to—

“(aa) practice or find employment in the sectors or occupations described in subclause (I); and

“(bb) as applicable, take any licensure or certification examinations required to practice or find employment in such sectors or occupations;

“(iv) after the State board makes the determination that the program meets the requirements under clause (iii), the accrediting agency or association recognized by the Secretary pursuant to section 496(a) determines that the program—

“(I) either—
“(aa) leads to a recognized postsecondary credential that is stackable and portable across more than one employer; or

“(bb) with respect to students enrolled in the program—

“(AA) prepares such students for employment in an occupation for which there is only one recognized postsecondary credential; and

“(BB) provides such students with such a credential upon completion of such program;

“(II) prepares students to pursue 1 or more certificate or degree programs at 1 or more institutions of (which may include the institution of higher education providing the program), including by ensuring—

“(aa) that a student, upon completion of the program and enrollment in such a related cer-
tificate or degree program, will receive academic credit for the program that will be accepted toward meeting such certificate or degree program requirements; and

“(bb) the acceptability of such credit toward meeting such certificate or degree program requirements; and

“(III) posts prominently on the website of the institution the recognized postsecondary credential that will be awarded to the student upon completion of the program, including the entity issuing the credential, any third-party endorsements of the credential, the occupation or occupations for which the credential prepares individuals for employment, the competencies achieved to earn the credential, the level of mastery of such competencies and how mastery is assessed, and specific information with respect to where, whether, and under
what circumstances the credential is stackable or portable;

“(IV) with respect to the information collected under section 131(i)—

“(aa) posts such information prominently on the website of the institution; and

“(bb) provides such information in a written disclosure to each prospective student prior to entering into an enrollment agreement with such student for such program, and establishes procedures for each such student to confirm receipt of such disclosure;

“(V) has established a plan to ensure students who completed the program have access to transcripts for completed coursework without a fee; and

“(VI) has been offered by an eligible institution of higher education for not less than 1 year prior to the
date on which such agency or association is to make a determination under this paragraph;

“(v) after the accrediting agency makes the determination that the program meets the requirements under clause (iv), the Secretary determines that—

“(I) for each award year, the program has a verified completion rate of at least 70 percent, within 150 percent of the normal time for completion;

“(II) for each award year, the program has a verified job placement rate of at least 70 percent, measured 180 days after completion;

“(III) for each award year, the program charges to a Workforce Pell Grant recipient under section 401(k) a total amount of tuition and fees for the program for such year that does not exceed the value-added earnings of students for the most recent year for which data is available; and
“(IV) for at least 2 of the 3 most recent consecutive award years for which data are available, the median earnings of students who completed the program, measured three years after students completed the program, exceeded the annual median earnings of individuals in the State in which the program is located—

“(aa) who are in the labor force;

“(bb) who are between 25 and 34 years of age, inclusive; and

“(cc) for whom the highest degree attained is a high school diploma (or recognized equivalent); and

“(vi) in the case of a program that has been an eligible workforce program under this paragraph for 3 or more years, it uses common, linked, open, and interoperable data formats when posting on the website of the institution the data required
under subclauses (III) and (IV) of clause (iv).

“(B)(i) The Secretary shall establish an appeals process wherein a program may request that, in making a determination under subparagraph (A)(v) (other than with respect to the median earnings of the individuals in the State described in subclause (IV) of such subparagraph), the Secretary use alternate earnings data, provided by the program, that is based on local, State, or Federal administrative data sources and that is statistically rigorous, accurate, comparable to, and representative of such students, if such program objects to a determination made by the Secretary under such subparagraph for purposes of—

“(I) eligibility under this paragraph; or

“(II) the reporting or publishing of the rates or earnings described in such a determination under section 131(i).

“(ii) In the case of a program that is seeking to establish initial eligibility under this paragraph that does not have data
available for the Secretary to make the determinations required under subparagraph (A)(v), the Secretary may, for a period that does not exceed 1 year, make such determinations (other than the median earnings of the individuals in the State described in subclause (IV) of such subparagraph) with respect to the program using, as provided by the program—

“(I) alternate earnings data of students who complete the program, provided such data are statistically rigorous, accurate, comparable to, and representative of such students; and

“(II) alternate completion and job placement rates of students who enroll in the program, provided such data are statistically rigorous, accurate, comparable to, and representative of such students.

“(iii) If the Secretary determines that a program provided inaccurate earnings data under clause (i)(I) or clause (ii), such program shall return to the Secretary any funds received under section 401(k) during
the period beginning on the date that is
the first day of the provisional eligibility
period and ending on the date on which
the Secretary makes such determination.

“(C)(i) In the case of a program that is
seeking to establish initial eligibility under this
paragraph, the Secretary shall grant eligibility
for the program if it meets the requirements of
this paragraph not more than 120 days after
the date on which the Secretary receives a sub-
mission from such program for consideration as
an eligible workforce program under this para-
graph.

“(ii) If a program that is an eligible
workforce program under this paragraph
no longer meets one or more of the re-
quirements under this paragraph, as deter-
mined by the State Board, accrediting
agency, or the Secretary, the Secretary—

“(I) may withdraw the eligibility
of such program; and

“(II) shall prohibit such pro-
gram, and any substantially similar
program of the institution, from being
considered an eligible workforce pro-
gram under this paragraph for a period of not less than 3 years.

“(D)(i) In the case of a program with a number of enrolled students that is insufficient to provide the Secretary with enough relevant data to make the determinations under subparagraph (A)(v), the Secretary shall—

“(I) aggregate up to 4 years of additional data for such program and use such aggregated data to make such determinations; or

“(II) only if such aggregated data under subclause (I) is insufficient, aggregate up to 4 years of data of students who completed or were enrolled in, as applicable, similar programs at the institution (as determined using the first 4 digits of the CIP codes of such programs) and use such data to make such determinations.

“(ii) For purposes of this subparagraph, the term ‘CIP code’ means the 6-digit taxonomic identification code assigned by an institution of higher education to a
specific program of study at the institution, determined by the institution in accordance with the Classification of Instructional Programs published by the National Center for Education Statistics.

“(E) In this paragraph:

“(i) The term ‘eligible institution of higher education’ means an institution of higher education (as defined in section 102) that—

“(I) is approved by an accrediting agency or association that meets the requirements of section 496(a)(4)(C); and

“(II) has not been subject, during any of the preceding 3 years, to—

“(aa) any suspension, emergency action, or termination under this title;

“(bb) any adverse action by the institution’s accrediting agency or association that revokes or denies accreditation for the institution; or
“(cc) any final action by the State where the institution holds its legal domicile, authorization, and accreditation that revokes a license or other authority to operate.

“(ii) The term ‘median earnings’, when used with respect to an eligible workforce program under this paragraph—

“(I) means the median annualized earnings, calculated using earnings for a pay period, month, quarter, or other time period deemed appropriate by the Secretary, of all students who received Federal financial assistance under this title and who completed the program in an academic year; and

“(II) shall be measured a given number of years after such students completed the program, with the number of years determined in accordance with this Act based on the intended use of the median earnings data being calculated.
“(iii) With respect to students who received Federal financial aid under this title and who completed an eligible workforce program under this paragraph in a given year, the term ‘value-added earnings’ means—

“(I) the median earnings of such students, measured one year after students completed the program; minus

“(II) for the year median earnings are measured for such students under subclause (I), 150 percent of the poverty line applicable to a single individual as determined under section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) for such year and, in the case of a program offered in-person, adjusted by the regional price parity index of the Bureau of Economic Analysis for the metropolitan statistical area in which the eligible institution of higher education offering such program is located.
“(iv) The terms ‘industry or sector partnership’, ‘in-demand industry sector or occupation’, ‘recognized postsecondary credential’, and ‘State board’ have the meanings given such terms in section 3 of the Workforce Innovation and Opportunity Act.”

SEC. 4. DATA COLLECTION AND DISSEMINATION RELATED TO WORKFORCE PELL.

Section 131 (20 U.S.C. 1015) is amended by adding at the end the following:

“(i) DATA COLLECTION AND DISSEMINATION RELATED TO WORKFORCE PELL.—

“(1) PRIMARY DATA SOURCE.—The Secretary shall use data from the National Student Loan Data System or administrative data maintained by the Department, matched with Internal Revenue Service income data to collect data and make calculations in accordance with this subsection and section 481(b)(3).

“(2) PUBLICATION.—The Secretary shall, on an annual basis, collect, verify, and make publicly available on the College Scorecard website (or any similar successor website), the information required under section 481(b)(3)(A)(v), with respect to each eligible
program under section 481(b)(3) (hereinafter referred to as an ‘eligible workforce program’), including—

“(A) the length of the program (as measured in clock hours, credit hours, or weeks);

“(B) the required tuition and fees of the program;

“(C) the difference between the required tuition and fees described in section 481(b)(3)(A)(v)(III) and median amount of grant aid (which does not need to be repaid) provided to students receiving Workforce Pell Grants, disaggregated by source of such grant aid;

“(D) the median earnings of students as such term is defined in section 481(b)(3)(E);

“(E) the median earnings of students who did not complete the program and received Federal financial assistance under this title;

“(F) the ratio of the amount described in subparagraph (C) to the value-added earnings (as such term is defined in section 481(b)(3)(E)) of students and an explanation, in clear and plain language, of this ratio;
“(G) in the case of a program that prepares students for a professional licensure or certification examination, the share of such students who pass such examinations;

“(H) the number of students enrolled in the program during the most recent academic year for which data is available;

“(I) the percentage of students who enroll in the program and who complete the program within—

“(i) 100 percent of the normal time for completion of such program;

“(ii) 150 percent of the normal time for completion of such program; and

“(iii) 200 percent of the normal time for completion of such program;

“(J) the percentage of students who are employed not later than 180 days and 1 year, respectively, after completing the program;

“(K) the percentage of individuals—

“(i) who have completed such program; and

“(ii) 1 year after such completion, whose median earnings exceed 150 percent of the poverty line applicable to a single in-
dividual, as determined under section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2));

“(L) the percentage of students who enroll in a certificate or degree program at any institution of higher education within 1 year of completing such program; and

“(M) the percentage of students who complete a subsequent certificate or degree program at any institution of higher education within 6 years of completing such program.

“(3) DATA DISAGGREGATION.—The information in subparagraphs (D), (E), and (H) through (M) shall be disaggregated, as applicable and to the extent practicable, by the following student characteristics:

“(A) Student’s financial circumstances, including—

“(i) household income categories, as determined by students’ adjusted gross income, family size, and poverty line (as defined in section 401(a)); and

“(ii) student aid index categories, as determined by the Secretary.

“(B) Sex.
“(C) Race and ethnicity.

“(D) Classification as a student with a disability.

“(E) Enrollment status, including part-time or full-time enrollment.

“(F) Status as an in-district, in-State, or out-of-State student.

“(G) Status as a recipient of Federal financial assistance, including—

“(i) a Pell Grant;

“(ii) a Workforce Pell Grant;

“(iii) a loan made under title IV; and

“(iv) veterans’ education benefits (as defined in section 480(e)).

“(H) Status as a participant in a program described in section 116(b)(3)(A)(ii) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3141(b)(3)(A)(ii)).

“(4) EXCEPTIONS.—Notwithstanding any other provision of this subsection, if disclosure of any data under paragraph (1) is prohibited under State or Federal privacy laws or regulations, the Secretary shall take the steps described in paragraph (5), and any other steps determined by the Secretary to be
necessary to make publicly available such data in ac-
cordance with such laws and regulations.

“(5) SMALL PROGRAMS.—

“(A) AGGREGATION.—For purposes of
publishing the information described in this
subsection with respect to an eligible workforce
program, for any year for which the number of
students is determined by the Secretary to be of
insufficient size to maintain the privacy of stu-
dent data, the Secretary shall, to obtain data
for a sufficient number of students to maintain
student privacy—

“(i) aggregate up to 4 years of addi-
tional data for such program;

“(ii) only if the aggregated data under
clause (i) is insufficient to maintain stu-
dent privacy or cannot be aggregated, ag-
gregate data for students who completed or
were enrolled in, as applicable, similar pro-
grams at the institution (as determined
using the first 4 digits of the CIP codes);
or

“(iii) only if the aggregated data
under clause (ii) is insufficient to maintain
student privacy or cannot be aggregated,
aggregate data with respect to all students who completed or were enrolled in, as applicable, any program of the institution of the same credential level, in lieu of data specific to students in such program.

“(B) NOTIFICATION OF AGGREGATION.—The Secretary shall prominently indicate whether data published under this subsection has been aggregated in accordance with subparagraph (A).

“(C) CIP CODE DEFINED.—For purposes of this paragraph, the term ‘CIP code’ means the 6-digit taxonomic identification code assigned by an institution of higher education to a specific program of study at the institution, determined by the institution in accordance with the Classification of Instructional Programs published by the National Center for Education Statistics.”.

SEC. 5. ACCREDITING AGENCY DETERMINATION OF ELIGIBILITY REQUIREMENTS FOR THE WORKFORCE PELL GRANTS PROGRAM.

(a) RECOGNITION OF ACCREDITING AGENCY OR ASSOCIATION.—Section 496(a)(4) (20 U.S.C. 1099b(a)(4)) is amended—
(1) in subparagraph (A), by striking “and” at the end;

(2) in subparagraph (B)(ii), by inserting “and” at the end; and

(3) by adding at the end the following:

“(C) if such agency or association has or seeks to include within its scope of recognition the evaluation of the quality of institutions offering an eligible program under section 481(b)(3), such agency or association shall, in addition to meeting the other requirements of this subpart, demonstrate to the Secretary that, with respect to such an eligible program—

“(i) the agency or association’s standards include a process for determining if the institution has the capability to effectively offer such program; and

“(ii) the agency or association requires a demonstration that the program satisfies the requirements of section 481(b)(3)(A)(iv).”.

(b) PROSPECTIVE ACCREDITORS.—The Secretary—

(1) in the case of an accrediting agency or association that is not recognized under section 496 (20 U.S.C. 1099b) and that is seeking initial recognition
to evaluate only eligible programs under section 481(b)(3) (20 U.S.C. 1088(b)), may only recognize such agency or association for such purpose if such agency or association demonstrates, in the application submitted under such section 496 for such recognition, compliance with the requirements of such section for at least 1 year prior to the date on which such application is submitted;

(2) shall, not later than 1 year after receiving such an application, make a recommendation with respect to whether such agency or association should be recognized for such purpose; and

(3) shall, after making the recommendation described in paragraph (2), direct the National Advisory Committee on Institutional Quality and Integrity (as established by section 114 (20 U.S.C. 1011c)) (hereinafter referred to as “NACIQI”) to, at the first scheduled meeting of such Committee following such a recommendation—

(A) evaluate the recognition of the agency or association; and

(B) advise the Secretary with respect to whether the agency or association meets the criteria under section 496(a)(4)(C) of the Higher
Education Act of 1965 (20 U.S.C. 1099b(a)(4)) (as added by subsection (a)).

(c) TECHNICAL ASSISTANCE.—The Secretary shall provide technical assistance to any prospective accrediting agency or association seeking initial recognition by the Secretary under section 496 (20 U.S.C. 1099b), including with respect to recognition to evaluate institutions with an eligible Workforce Pell Grants program.

(d) ADDITIONAL NACIQI REVIEW MEETINGS.—For the purpose of preparing for the implementation of the Workforce Pell Grant program under section 401(k) (20 U.S.C. 1070a) (as added by section 2 of this Act), and in addition to the meetings required under section 114(d)(1) (20 U.S.C. 1011c(d)(1)), NACIQI shall, for the period beginning on the date of the enactment of this Act and ending on December 31, 2030, hold meetings to evaluate the recognition of prospective accrediting agencies or associations described in subsection (b) and the addition to the scope of recognition of accrediting agencies and associations under section 496(a)(4)(C) (20 U.S.C. 1099b(a)(4)) (as added by subsection (a)).

(e) INTERIM ACCREDITATION AUTHORITY.—

(1) NOTIFICATION.—Beginning on the date of the enactment of this Act, a recognized accrediting agency or association that seeks, for the first time,
to add to its scope of recognition the evaluation of
the quality of institutions offering an eligible pro-
gram under section 481(b)(3) (20 U.S.C. 1088(b))
(as added by section 3 of this Act) may include with-
in its scope of recognition the evaluation of such in-
stitutions if such agency or association—

(A) submits to the Secretary a notification
of the agency or association’s intent to add the
evaluation of such institutions to its scope of
recognition; and

(B) includes with such notification an ex-
planation of how the agency or association in-
tends to meet the criteria under section
496(a)(4)(C) (20 U.S.C. 1099b(a)(4)) (as
added by subsection (a)).

(2) REVIEW OF SCOPE OF CHANGES.—Upon re-
ceipt of a notification from an accrediting agency or
association described in paragraph (1)(A), the Sec-
retary shall direct NACIQI to evaluate, at the next
available meeting of such Committee, the addition to
the scope of recognition of the agency or association
and to advise the Secretary with respect to whether
the agency or association meets the criteria under
section 496(a)(4)(C) (20 U.S.C. 1099b(a)(4)) (as
added by subsection (a)).
(3) **Termination of Interim Authority.**—

The interim authority granted to an agency or association under this paragraph shall terminate on the earlier of—

(A) the date that is 5 years after the date of the enactment of this Act; or

(B) the date on which the Secretary determines whether such agency or association meets the criteria under section 496(a)(4)(C) (20 U.S.C. 1099b(a)(4)) (as added by subsection (a)).

**SEC. 6. AGREEMENTS WITH APPLICABLE EDUCATIONAL INSTITUTIONS.**

(a) **Direct Loans.**—Section 454 (20 U.S.C. 1087d) is amended—

(1) in subsection (a)—

(A) in paragraph (5), by striking “and” after the semicolon;

(B) by redesignating paragraph (6) as paragraph (7); and

(C) by inserting after paragraph (5) the following new paragraph:

“(6) in the case of an applicable educational institution, provide annual reimbursements to the Sec-
retary in accordance with the requirements under subsection (d); and”;

(2) by adding at the end the following new subsection:

“(d) REIMBURSEMENT REQUIREMENTS.—

“(1) ANNUAL REIMBURSEMENTS REQUIRED.—
Beginning in award year 2025–2026, each applicable educational institution participating in the direct student loan program under this part shall, for qualifying student loans, provide a reimbursement to the Secretary, at such time as the Secretary may specify but not less than annually, for each student cohort of the institution, for an amount equal to the non-repayment loan balance of such cohort and determined in accordance with paragraph (5).

“(2) STUDENT COHORTS.—For each applicable educational institution, the Secretary shall establish a student cohort, for each award year beginning with award year 2024–2025, comprised of—

“(A) all students who received Federal financial assistance under this title and who completed any program of study at such applicable educational institution during such award year; and
“(B) all students who received Federal financial assistance under this title, who were enrolled in the applicable education institution during the previous award year, and who at the time the cohort is established—

“(i) have not completed any program of study at the applicable educational institution; and

“(ii) are not enrolled at the applicable educational institution.

“(3) QUALIFYING STUDENT LOAN.—For the purposes of this subsection, the term ‘qualifying student loan’ means a Federal Direct loan, including a Federal Direct Consolidation loan, made under this part that—

“(A) is a Federal Direct Stafford Loan, a Federal Direct Unsubsidized Stafford Loan, or a Federal Direct Plus Loan to any eligible student;

“(B) was made to a student included in a student cohort of an applicable educational institution;

“(C) except in the case of a loan described in paragraph (4)(A), is not included in any
other student cohort of any other institution of higher education; “(D) is not in— “(i) a medical or dental internship or residency forbearance described in section 428(c)(3)(A)(i)(I), section 428B(a)(2), section 428H(a), or section 685.205(a)(3) of title 34, Code of Federal Regulations; “(ii) a graduate fellowship deferment described in section 455(f)(2)(A)(ii); “(iii) rehabilitation training program deferment described under section 455(f)(2)(A)(ii); “(iv) an in-school deferment described under section 455(f)(2)(A)(i); “(v) a cancer deferment described under section 455(f)(3); “(vi) a military service deferment described under section 455(f)(2)(C); or “(vii) a post-active duty student deferment described under section 493D; and “(E) is not in default. “(4) SPECIAL CIRCUMSTANCES.—
“(A) TREATMENT OF CERTAIN CONSOLIDATION LOANS.—A Federal Direct Consolidation loan made under this title shall not be considered a qualifying student loan for a student cohort for an award year if all of the loans included in such consolidation loan are attributable to another student cohort.

“(B) CONSOLIDATION AFTER INCLUSION IN A STUDENT COHORT.—If a qualifying student loan is consolidated into a consolidation loan under this title after such qualifying student loan has been included in a student cohort, the percentage of the consolidation loan that was attributable to such student cohort at the time of consolidation shall remain attributable to the student cohort for the life of the consolidation loan.

“(5) NON-REPAYMENT LOAN BALANCE.—

“(A) IN GENERAL.—For each award year, the Secretary shall determine the non-repayment loan balance for such award year for each student cohort of an applicable educational institution by calculating the sum of—

“(i) for loans in such cohort, the difference between the total amount of pay-
ments due from all borrowers on such
loans during such year and the total
amount of payments made by all such bor-
rowers on such loans during such year;
“(ii) the total amount of interest
waived, paid, or otherwise not charged by
the Secretary during such year under an
income-based repayment plan described in
section 493C or an income-contingent re-
payment plan described in section 455(e);
and
“(iii) the total amount of principal
and interest forgiven, cancelled, waived,
discharged, repaid, or otherwise reduced by
the Secretary under any act during such
year that is not included in clause (ii) and
was not discharged or forgiven under sec-
tion 437(a) or 428J.
“(B) SPECIAL CIRCUMSTANCES.—For the
purpose of calculating the non-repayment loan
balance of student cohorts under this para-
graph, the Secretary shall—
“(i) for each qualifying student loan
in a student cohort that is included in an-
other student cohort because the student
who borrowed such loan completed two or more programs of study during the same award year, the total amount described in clauses (i) through (iii) of subparagraph (A) for such qualifying student loan shall be divided equally among each of the student cohorts in which such loan is included; and

“(ii) for each consolidation loan in a student cohort—

“(I) determine the percentage of the outstanding principal balance of the consolidation loan attributable to such student cohort—

“(aa) at the time of that loan was included in such cohort, in the case of a loan consolidated before inclusion in such cohort; or

“(bb) at the time of consolidation, in the case of a loan consolidated after inclusion in such cohort; and

“(II) include in the calculations under subparagraph (A) for such stu-
dent cohort only the percentage of the sum of the amounts described in clauses (i) through (iii) of subparagraph (A) for the consolidation loan for such year that is equal to the percentage of the consolidation loan determined under subclause (I).

“(6) NOTIFICATION AND REMITTANCE.—Beginning with the first award year for which reimbursements are required under this subsection, and for each succeeding award year, the Secretary shall—

“(A) notify each applicable educational institution of the amounts and due dates of each annual reimbursement calculated under paragraph (1) for each student cohort of the institution within 30 days of calculating such amounts; and

“(B) require the applicable educational institution to provide such reimbursement within 180 days of such notification.

“(7) APPLICABLE EDUCATIONAL INSTITUTION.—For purposes of this subsection, the term ‘applicable educational institution’ means an institution of higher education that is an organization sub-
ject to taxation under section 4968 of title 26, United States Code.”.

(b) **Federal Supplemental Educational Opportunity Grants.**—Section 413C(a) (20 U.S.C. 1070b–2(a)) is amended—

(1) in paragraph (3), by redesignating subparagraphs (A) through (D) as clauses (i) through (iv), respectively;

(2) by redesignating paragraphs (1) through (3) as subparagraphs (A) through (C), respectively;

(3) in the matter preceding subparagraph (A), as so redesignated, by striking “Assistance may” and inserting

“(1) **In General.**—Assistance may”; and

(4) by adding at the end the following:

“(2) **Exception.**—In addition to the requirements under paragraph (1), for award year 2025–2026, and each subsequent award year, an institution that is an applicable educational institution that is an organization subject to taxation under section 4968 of title 26, United States Code, may only receive assistance under this subpart if such institution guarantees that, for each such award year—

“(A) the total amount of grants and scholarships, including other financial assistance (as
defined in section 480(i)) not received under this title, awarded to a student who receives a Federal Pell Grant under this title shall not be less than the student’s cost of attendance (as defined in section 472); and

“(B) the percentage of students enrolled at such institution who are eligible for a Federal Pell Grant will be equal to or greater than the percentage of students who were enrolled at such institution and were eligible for a Federal Pell Grant in the award year during which the Bipartisan Workforce Pell Act was enacted.”.

(c) Study.—

(1) In general.—Not later than July 1, 2026, the Comptroller General of the United States shall conduct a study on the impact of the reimbursement requirements included in section 454 of the Higher Education Act of 1965 (20 U.S.C. 1087d), as amended by subsection (a). Such analysis shall include—

(A) an analysis of the impact on student enrollment, progression, retention, completion, and time to credential;

(B) an analysis of the impact on student debt and repayment, including amounts bor-
rowed and repayment rates of students receiving Federal financial assistance under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.);

(C) an analysis of the impact on college costs and financial aid, including—

(i) the cost of attendance, including such cost disaggregated by the costs described in paragraphs (1) through (14) of section 472(a) of the Higher Education Act of 1965, as amended by the FAFSA Simplification Act (title VII of division FF of the Consolidated Appropriations Act, 2021 (Public Law 116–260)); and

(ii) the grants and scholarships received by students at the institution and the number and percentage of such students receiving such grants and scholarships, disaggregated by source and whether such aid is need-based, merit-based, or other type of grant or scholarship; and

(D) an analysis of the impact on post-completion outcomes, including earnings and employment of students receiving Federal financial
assistance under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.).

(2) DISAGGREGATED INFORMATION.—

(A) STUDENT CHARACTERISTICS.—The Comptroller General of the United States shall ensure the information described in paragraph (1) is disaggregated, as applicable and to the extent practicable, by the following student characteristics:

(i) The household income or student aid index categories described in 131(i)(3)(A) of the Higher Education Act of 1965, as added by section 4 of this Act.

(ii) The other student characteristics described in subparagraphs (B) through (J) of section 131(i)(3) of the Higher Education Act of 1965, as added by section 4 of this Act.

(B) PROGRAM OF STUDY.—The Comptroller General of the United States shall ensure the information described in paragraph (1) is disaggregated, as applicable, by program of study and credential level.

(d) REPORT.—Not later than July 1, 2029, the Comptroller General of the United States shall—
(1) complete the study under subsection (c);

and

(2) submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate a report that includes the results of such study.

SEC. 7. RULE OF CONSTRUCTION.

Nothing in this Act, or the amendments made by this Act, shall be construed to impose or increase an occupational licensing or certification requirement on eligible programs under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.).