

.....
(Original Signature of Member)

117TH CONGRESS
2D SESSION

H. R. _____

To increase the total maximum Federal Pell Grant, to increase State maintenance of efforts and college transparency, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. CARBAJAL introduced the following bill; which was referred to the Committee on _____

A BILL

To increase the total maximum Federal Pell Grant, to increase State maintenance of efforts and college transparency, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Degrees Not Debt Act
5 of 2022”.

1 **SEC. 2. INCREASE IN THE MAXIMUM AMOUNT OF A FED-**
2 **ERAL PELL GRANT.**

3 (a) AWARD YEAR 2022–2023.—Section 401(b)(7)(C)
4 of the Higher Education Act of 1965 (20 U.S.C.
5 1070a(b)(7)(C)) is amended—

6 (1) in clause (i)(I), by striking “clause (iv)(II)”
7 and inserting “clause (v)(II)”;

8 (2) in clause (ii)(I), by striking “clause (iv)(II)”
9 and inserting “clause (v)(II)”;

10 (3) by amending clause (iii) to read as follows:

11 “(iii) AWARD YEARS 2018–2019
12 THROUGH 2021–2022.—For award years
13 2018–2019 through 2021–2022, the
14 amount determined under this subpara-
15 graph for purposes of subparagraph
16 (B)(iii) shall be equal to the amount deter-
17 mined under clause (ii) for award year
18 2017–2018.”;

19 (4) by redesignating clause (iv) as clause (v);
20 and

21 (5) by inserting after clause (iii) (as amended
22 by this subsection) the following:

23 “(iv) AWARD YEAR 2022–2023.—For
24 award year 2022–2023, the amount deter-
25 mined under this subparagraph for pur-

1 poses of subparagraph (B)(iii) shall be
2 equal to—

3 “(I) \$13,000; reduced by

4 “(II) the maximum Federal Pell
5 Grant for which a student was eligible
6 for the preceding award year, as spec-
7 ified in the last enacted appropriation
8 Act applicable to that year; and

9 “(III) rounded to the nearest
10 \$5.”.

11 (b) AWARD YEAR 2023–2024 AND SUBSEQUENT
12 AWARD YEARS.—

13 (1) AMENDMENT TO AWARD AMOUNT.—Section
14 401(b)(5)(A)(i) of the Higher Education Act of
15 1965 (20 U.S.C. 1070a(b)(5)(A)(i)), as amended by
16 section 703 of the FAFSA Simplification Act (title
17 VII of division FF of Public Law 116–260), is
18 amended to read as follows:

19 “(i) \$13,000 reduced by the amount
20 specified as the maximum Federal Pell
21 Grant in the last enacted appropriation
22 Act applicable to that award year, except
23 that for each award year subsequent to
24 award year 2023–2024, this clause shall be
25 applied by substituting ‘the amount that is

1 equal to \$13,000, increased by a percent-
2 age equal to the annual adjustment per-
3 centage for the award year for which the
4 amount under this subparagraph is being
5 determined, then' for '\$13,000'; and”.

6 (2) DEFINITION.—Section 401(a)(2) of the
7 Higher Education Act of 1965 (20 U.S.C.
8 1070a(a)(2)), as amended by section 703 of the
9 FAFSA Simplification Act (title VII of division FF
10 of Public Law 116–260), is amended—

11 (A) in subparagraph (E), by striking
12 “and” after the semicolon;

13 (B) in subparagraph (F), by striking the
14 period and inserting “; and”; and

15 (C) by adding at the end the following:

16 “(G) the term ‘annual adjustment percent-
17 age’ as applied to an award year, is equal to the
18 estimated percentage change in the Consumer
19 Price Index (as determined by the Secretary,
20 using the definition in section 478(f)) for the
21 most recent calendar year ending prior to the
22 beginning of that award year.”.

23 (3) EFFECTIVE DATE.—The amendments made
24 by this subsection shall take effect as if included in
25 section 703 of the FAFSA Simplification Act (title

1 VII of division FF of Public Law 116- 260) and in
2 accordance with section 701(b) of such Act.

3 **SEC. 3. STATE RESPONSIBILITY.**

4 (a) MAINTENANCE OF EFFORT REQUIREMENTS.—
5 Section 401 of the Higher Education Act of 1965 (20
6 U.S.C. 1070a), as amended by section 703 of the FAFSA
7 Simplification Act (title VII of division FF of Public Law
8 116–260), is amended by adding at the end the following:

9 “(k) INSTITUTIONAL INELIGIBILITY BASED ON FAIL-
10 URE OF STATE TO MAINTAIN HIGHER EDUCATION AP-
11 PROPRIATIONS LEVEL.—

12 “(1) IN GENERAL.—Each State that receives
13 funds under this Act shall maintain State expendi-
14 tures and State financial aid for institutions of high-
15 er education in the State, with respect to a fiscal
16 year, at an amount that is equal to or more than the
17 average amount of State expenditures and State fi-
18 nancial aid for institutions of higher education in
19 the State for the 10 fiscal years preceding such fis-
20 cal year.

21 “(2) CONSEQUENCES OF FAILURE TO MAINTAIN
22 EFFORT.—Notwithstanding any other provision of
23 law, beginning 5 years after the date of enactment
24 of the Degrees Not Debt Act of 2022, a student
25 shall not be eligible for a Federal Pell grant for an

1 award year (and the Secretary shall make no pay-
2 ment under this subpart to an eligible institution for
3 a fiscal year for the purpose of making a Federal
4 Pell Grant to such student) if the student—

5 “(A) attends an eligible institution in a
6 State that has not, with respect to the fiscal
7 year, maintained State expenditures and State
8 financial aid for institutions of higher education
9 in the State in accordance with paragraph (1);
10 and

11 “(B) the student has not previously re-
12 ceived a Federal Pell grant for attendance at
13 such institution.

14 “(3) WAIVER.—The Secretary may waive the
15 requirement of paragraph (1) for a State, for one
16 fiscal year at a time, and paragraph (2) shall not
17 apply to students attending eligible institutions in
18 such State for such fiscal year, if the Secretary de-
19 termines that granting a waiver would be equitable
20 due to exceptional or uncontrollable circumstances
21 such as a natural disaster or a precipitous and un-
22 foreseen decline in the financial resources of the
23 State.”.

24 (b) EFFECTIVE DATE.—The amendment made by
25 this section shall take effect as if included in section 703

1 of the FAFSA Simplification Act (title VII of division FF
2 of Public Law 116- 260) and in accordance with section
3 701(b) of such Act.

4 **SEC. 4. COLLEGE AND UNIVERSITY RESPONSIBILITY.**

5 (a) PROGRAM PARTICIPATION AGREEMENTS.—Sec-
6 tion 487 of the Higher Education Act of 1965 (20 U.S.C.
7 1094) is amended—

8 (1) in subsection (a), by adding at the end the
9 following:

10 “(30) The institution will put a prominent link
11 on the homepage of the institution’s primary website
12 that goes directly to a report of a standard set of
13 key performance indicators with respect to the insti-
14 tution, as described in subsection (k).”; and

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

16 “(k) KEY PERFORMANCE INDICATORS.—

17 “(1) IN GENERAL.—The key performance indi-
18 cators under this subsection are the following:

19 “(A)(i) Graduation rates—

20 “(I) at 100 percent of the normal
21 time for graduation;

22 “(II) at 150 percent of the normal
23 time for graduation;

24 “(III) at 200 percent of the normal
25 time for graduation; and

1 “(IV) each of which is disaggregated
2 by age (25 years old and younger, and
3 older than 25 years old), income, race and
4 ethnicity, and first-generation college sta-
5 tus.

6 “(ii) Transfer out rates. Each such rate
7 shall be disaggregated by age (25 years old and
8 younger, and older than 25 years old), income,
9 race and ethnicity, and first-generation college
10 status.

11 “(iii) Withdrawal rates, including rates of
12 students who withdraw from a certificate pro-
13 gram to seek employment in a related field of
14 study.

15 “(B) Employment outcomes, including the
16 following:

17 “(i) The average salary of a graduate
18 3 years after graduation.

19 “(ii) The percentage of graduates
20 who, 180 days after graduation—

21 “(I) are employed full time;

22 “(II) are employed part-time;

23 “(III) are employed in the grad-
24 uate’s field of study or certificate; and

1 “(IV) make more than \$25,000 a
2 year.

3 “(iii) For fiscal year 2026 and each
4 subsequent fiscal year, the cohort repay-
5 ment rate.

6 “(C) Student satisfaction rate as indicated
7 by a survey of all students and recent alumni
8 with the following 2 questions using a 5-point
9 Likert scale:

10 “(i) ‘How satisfied are you with your
11 educational experience at [name of institu-
12 tion]?’

13 “(ii) ‘If you were making the decision
14 today, how likely would you be to choose to
15 attend [name of institution] again?’

16 “(D) The percentage of students who con-
17 tinue enrollment at the institution after the
18 first year of enrollment.

19 “(E) The average net price for the institu-
20 tion’s most recent cohort of graduates,
21 disaggregated by income quartile.

22 “(F) The average annual net price for full-
23 time attendance, broken out by tuition, fees, liv-
24 ing costs, and other (indirect) costs.

1 “(G) The median time to degree comple-
2 tion.

3 “(H) The percentage of enrolled students
4 with student loan debt.

5 “(I) The average student loan debt at time
6 of graduation for the most recent cohort of
7 graduates who borrowed money.

8 “(J) The average student loan debt at time
9 of withdrawal for the most recent cohort of
10 non-graduates who borrowed money.

11 “(2) COHORT REPAYMENT RATE.—

12 “(A) IN GENERAL.—In this subsection, the
13 term ‘cohort repayment rate’ means, with re-
14 spect to an institution, for any fiscal year be-
15 ginning with fiscal year 2026—

16 “(i) in the case in which 30 or more
17 borrowers at the institution enter repay-
18 ment on Federal Direct Stafford Loans,
19 Federal Direct Unsubsidized Stafford
20 Loans, or Federal Direct PLUS Loans re-
21 ceived for attendance at the institution, or
22 on Federal Direct Consolidation Loans of
23 such loans, the percentage of those bor-
24 rowers who are not in default and who
25 make at least a one dollar reduction on

1 their initial student loan principal balance
2 before the end of the second fiscal year fol-
3 lowing the fiscal year in which the bor-
4 rowers entered repayment, except as pro-
5 vided in subparagraph (B); and

6 “(ii) in the case in which less than 30
7 borrowers at the institution enter repay-
8 ment on Federal Direct Stafford Loans,
9 Federal Direct Unsubsidized Stafford
10 Loans, or Federal Direct PLUS Loans re-
11 ceived for attendance at the institution, or
12 on Federal Direct Consolidation Loans of
13 such loans, the percentage of the borrowers
14 described in clause (i) plus all of the bor-
15 rowers at the institution who entered re-
16 payment on such loans (or on the portion
17 of a loan made under section 428C that is
18 used to repay any such loans) in the 3 fis-
19 cal years preceding the fiscal year for
20 which the determination is made, who are
21 not in default and who make at least a one
22 dollar reduction on their initial student
23 loan principal balance before the end of the
24 second fiscal year following the year in

1 which the borrowers entered repayment,
2 except as provided in subparagraph (B).

3 “(B) EXCEPTION.—The ‘cohort repayment
4 rate’ calculation under subparagraph (A) shall
5 not include a borrower who is—

6 “(i) in deferment on repayment of a
7 loan described in subparagraph (A)—

8 “(I) due to study in an approved
9 graduate fellowship program or in an
10 approved rehabilitation training pro-
11 gram for the disabled;

12 “(II) during a period of at least
13 half-time enrollment in college or a
14 career school;

15 “(III) during a period of service
16 qualifying for loan discharge or can-
17 cellation under part E;

18 “(IV) due to active duty military
19 service of the borrower during a war,
20 military operation, or national emer-
21 gency; or

22 “(V) during the 13 months fol-
23 lowing the conclusion of qualifying ac-
24 tive duty military service by the bor-
25 rower, or until the borrower returns

1 to enrollment on at least a half-time
2 basis, whichever is earlier, if the bor-
3 rower is a member of the National
4 Guard or other reserve component of
5 the Armed Forces and was called or
6 ordered to active duty while enrolled
7 at least half-time at an eligible school
8 or within 6 months of having been en-
9 rolled at least half-time;

10 “(ii) in mandatory forbearance on re-
11 payment of a loan described in subpara-
12 graph (A) for the full fiscal year; or

13 “(iii) serving as a volunteer under the
14 Peace Corps Act (22 U.S.C. 2501 et seq.)
15 or the Domestic Volunteer Service Act of
16 1973 (42 U.S.C. 4950 et seq.).

17 “(3) NEW DATA POINTS.—The Secretary shall
18 work with the National Center for Education Statis-
19 tics to identify new data points that need to be col-
20 lected to assist institutions of higher education with
21 the collection, organization, and distribution of key
22 performance indicators and cohort repayment rates.

23 “(4) GUIDANCE.—The Secretary shall issue
24 guidance, with input from stakeholders, to facilitate

1 the data collection and display of key performance
2 indicators.”.

3 (b) ENHANCED DATA COLLECTION FOR INSTITU-
4 TIONS WITH ENROLLMENT RATES OF LESS THAN 5,000
5 STUDENTS.—Section 489(a) of the Higher Education Act
6 of 1965 (20 U.S.C. 1096(a)) is amended—

7 (1) in the first sentence, by inserting “(or, in
8 the case of an institution with an enrollment of less
9 than 5,000 students, \$6)” after “\$5” ; and

10 (2) by adding at the end the following: “In ad-
11 dition, the Secretary shall provide funds to assist in-
12 stitutions of higher education with an enrollment of
13 less than 5,000 students with data collection, organi-
14 zation, and distribution of key performance indica-
15 tors and cohort repayment rates.”.

16 **SEC. 5. REPEAL OF INCREASED ALTERNATIVE MINIMUM**
17 **TAX EXEMPTION AMOUNT FOR INDIVIDUALS.**

18 (a) IN GENERAL.—Section 55(d) of the Internal Rev-
19 enue Code of 1986 is amended by striking paragraph (4).

20 (b) EFFECTIVE DATE.—The amendment made by
21 this section shall apply to taxable years beginning after
22 December 31, 2021.

1 **SEC. 6. REPEAL OF INCREASED ESTATE AND GIFT TAX EX-**
2 **EMPTION.**

3 (a) **IN GENERAL.**—Section 2010(c)(3)(C) of the In-
4 ternal Revenue Code of 1986 is amended by striking “Jan-
5 uary 1, 2026” and inserting “the date of the enactment
6 of the Degrees Not Debt Act of 2022”.

7 (b) **EFFECTIVE DATE.**—The amendment made by
8 this section shall apply to estates of decedents dying and
9 gifts made after the date of the enactment of this Act.