

**AMENDMENT TO THE AMENDMENT IN THE  
NATURE OF A SUBSTITUTE TO H.R. 6951  
OFFERED BY MR. DESAULNIER OF CALIFORNIA**

Page 78, line 19, strike “Section” and insert the following:

1       (a) AWARD MAY NOT EXCEED MEDIAN COST OF  
2 COLLEGE.—Section

Page 79, after line 9, insert the following:

3       (b) RESTORING THE TOTAL SEMESTERS OF FED-  
4 ERAL PELL GRANT ELIGIBILITY.—Section 401(d)(5)(A)  
5 of the Higher Education Act of 1965, as added by section  
6 703 of the FAFSA Simplification Act, is amended by  
7 striking “12” each place the term appears and inserting  
8 “18”.

9       (c) REDUCING FINANCIAL AID PENALTIES FROM  
10 SATISFACTORY ACADEMIC PROGRESS DETERMINA-  
11 TIONS.—Section 484(c) of the Higher Education Act of  
12 1965 (20 U.S.C. 1091(c)) is amended to read as follows:

13       “(c) SATISFACTORY PROGRESS.—

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

15                       “(A) APPEAL.—The term ‘appeal’ means a  
16                       process by which a student who is not meeting

1 the institution’s satisfactory academic progress  
2 standards petitions the institution for reconsid-  
3 eration of the student’s eligibility for assistance  
4 under this title.

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

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

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

22 “(2) SATISFACTORY ACADEMIC PROGRESS POL-  
23 ICY.—An institution shall establish a reasonable sat-  
24 isfactory academic progress policy for determining  
25 whether an otherwise eligible student is making sat-

1 isfatory academic progress in the student’s edu-  
2 cational program and may receive assistance under  
3 this title. The Secretary shall consider the institu-  
4 tion’s policy to be reasonable if—

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

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

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

18 “(ii) if a student is enrolled in an edu-  
19 cational program of more than 2 academic  
20 years, the policy specifies that at the end of the  
21 second academic year, the student must have a  
22 grade point average of at least a ‘C’ or its  
23 equivalent, or have academic standing con-  
24 sistent with the institution’s requirements for  
25 graduation;

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

3           “(E) the policy describes—

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

14                   “(ii) how after a student reenrolls  
15 after the student’s satisfactory academic  
16 progress was reset pursuant to paragraph  
17 (3)(B), the student may have any credits  
18 that were earned before the student was  
19 determined not to be making satisfactory  
20 academic progress counted for purposes of  
21 determining progress when the student re-  
22 enrolls, but any attempted hours that were  
23 not earned by the student (including in-  
24 completes, withdrawn courses, and failed  
25 courses) before the student was determined

1 not to be making satisfactory academic  
2 progress will not negatively impact the de-  
3 termination of whether the student made  
4 satisfactory academic progress after such  
5 reset;

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

15 “(i) at the time of each evaluation  
16 with respect to a student who is in an edu-  
17 cational program of 2 academic years or  
18 less in length; or

19 “(ii) at the end of the second aca-  
20 demic year with respect to a student who  
21 is in an educational program of more than  
22 2 academic years in length;

23 “(G) the policy describes when students  
24 will be placed on financial aid warning or finan-

1           cial aid probation, in accordance with para-  
2           graph (4), and provides that—

3                   “(i) a student on financial aid warn-  
4                   ing—

5                           “(I) shall receive assistance  
6                           under this title for one payment pe-  
7                           riod despite a determination that the  
8                           student is not making satisfactory  
9                           academic progress; and

10                           “(II) may be assigned such sta-  
11                           tus without an appeal or other action  
12                           by the student; and

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

20                           “(II) at the end of such one payment  
21                           period, the student is required to meet the  
22                           institution’s satisfactory academic progress  
23                           standards, or meet the requirements of the  
24                           academic plan developed by the institution

1 and the student, in order to qualify for  
2 continued assistance under this title;

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

7 “(i) how the student may reestablish  
8 the student’s eligibility to receive assist-  
9 ance under this title;

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

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

22 “(I) if the institution does not permit a  
23 student to appeal a determination by the insti-  
24 tution that the student is not making satisfac-  
25 tory academic progress, the policy describes

1           how the student may reestablish the student's  
2           eligibility to receive assistance under this title;

3           “(J) the policy provides for notification to  
4           students of the results of an evaluation that im-  
5           pacts the student's eligibility for assistance  
6           under this title; and

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

15          “(3) REGAINING ELIGIBILITY.—

16          “(A) STUDENTS WHO REMAIN IN  
17          SCHOOL.—Whenever a student fails to meet the  
18          eligibility requirements of subsection (a)(2) as a  
19          result of the application of this subsection and,  
20          subsequent to that failure, the student has aca-  
21          demic standing for any grading period con-  
22          sistent with the requirements for staying on  
23          track to graduate within 150 percent of the  
24          published length of the educational program, as  
25          determined by the institution, the student shall



1           again be eligible under subsection (a)(2) for a  
2           grant, loan, or work assistance under this title,  
3           as long as the student maintains satisfactory  
4           academic progress under paragraph (2) begin-  
5           ning on and after the date that the student re-  
6           gains eligibility.

7                   “(B) STUDENTS WHO LEAVE SCHOOL.—

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

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

5                   “(C) DUTIES OF THE SECRETARY.—The  
6                   Secretary shall—

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

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

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

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

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

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

22                  “(I) the number of students who  
23                  reenroll in an eligible institution after  
24                  such reset, disaggregated by race or

1 ethnicity, sex, age, socioeconomic sta-  
2 tus, and disability status;

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

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

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

18 “(4) EVALUATION OF ACADEMIC PROGRESS.—

19 “(A) IN GENERAL.—An institution that  
20 determines that a student is not making satis-  
21 factory academic progress under its policy may  
22 disburse funds provided through student finan-  
23 cial assistance programs under this title (in-  
24 cluding work-study programs under subtitle C)

1 to the student in accordance with subpara-  
2 graphs (B), (C), and (D).

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

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

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

22 “(ii) the student appeals the deter-  
23 mination; and

24 “(iii)(I) the institution determines  
25 that the student should be able to meet the

1 institution’s satisfactory academic progress  
2 standards by the end of the subsequent  
3 payment period; or

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

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

20 “(E) FREQUENCY OF ACADEMIC PROGRESS  
21 EVALUATION AND COMMUNICATION.—

22 “(i) IN GENERAL.—Subject to clause  
23 (ii), for the purpose of determining wheth-  
24 er presently enrolled students are main-  
25 taining satisfactory progress, each institu-

1           tion of higher education that enrolls stu-  
2           dents who receive any grant, loan, or work  
3           assistance under this title shall review the  
4           progress of such students at the end of  
5           each payment period.

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

16          “(iii) FINANCIAL AID WARNING.—At  
17          the end of each payment period (or, in the  
18          case of an institution described in clause  
19          (ii), at the end of each semester or equiva-  
20          lent period), each institution shall send a  
21          financial aid warning to presently enrolled  
22          students that do not meet the grade point  
23          average requirement described in para-  
24          graph (2), or its equivalent or academic  
25          standing consistent with the requirements

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

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

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

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

22 “(A) to such students before the students  
23 begin classes at the institution through a de-  
24 tailed communication that may be separate  
25 from a financial aid offer; and



1           “(B) on the financial aid webpage of the  
2 website of the institution.

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

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

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

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

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

