the number of lenders that participated in the pilot program, and the extent to which the pilot program generated competition among lenders to participate in the auctions under the pilot program;
(3) the number and volume of loans made under the pilot program in each State;
(4) the effect of the transition to and operation of the pilot program on the ability of—
   (A) lenders participating in the pilot program to originate loans made through the pilot program smoothly and efficiently;
   (B) institutions of higher education participating in the pilot program to disburse loans made through the pilot program smoothly and efficiently; and
   (C) parents to obtain loans made through the pilot program in a timely and efficient manner;
(5) the differential impact, if any, of the auction among the States, including between rural and non-rural States; and
(6) the feasibility of using the mechanism piloted to operate the other loan programs under part B of this title.
(d) REPORTS.—
(1) IN GENERAL.—The Secretary and the Secretary of the Treasury shall submit to the authorizing committees—
   (A) not later than September 1, 2010, a preliminary report regarding the findings of the evaluation described in subsection (c);
   (B) not later than September 1, 2012, an interim report regarding such findings; and
   (C) not later than September 1, 2013, a final report regarding such findings.
(2) CONTENTS.—The Secretary shall include, in each report required under subparagraphs (A), (B), and (C) of paragraph (1), any recommendations, that are based on the findings of the evaluation under subsection (c), for—
   (A) improving the operation and administration of the auction; and
   (B) improving the operation and administration of other loan programs under part B.

TITLE V—DEVELOPING INSTITUTIONS

PART A—HISPANIC-SERVING INSTITUTIONS

SEC. 501. [20 U.S.C. 1101] FINDINGS; PURPOSE; AND PROGRAM AUTHORITY.
(a) FINDINGS.—Congress makes the following findings:
   (1) Hispanic Americans are at high risk of not enrolling or graduating from institutions of higher education.
   (2) Disparities between the enrollment of non-Hispanic white students and Hispanic students in postsecondary education are increasing. Between 1973 and 1994, enrollment of white secondary school graduates in 4-year institutions of high-
er education increased at a rate two times higher than that of Hispanic secondary school graduates.

(3) Despite significant limitations in resources, Hispanic-serving institutions provide a significant proportion of postsecondary opportunities for Hispanic students.

(4) Relative to other institutions of higher education, Hispanic-serving institutions are underfunded. Such institutions receive significantly less in State and local funding, per full-time equivalent student, than other institutions of higher education.

(5) Hispanic-serving institutions are succeeding in educating Hispanic students despite significant resource problems that—

(A) limit the ability of such institutions to expand and improve the academic programs of such institutions; and

(B) could imperil the financial and administrative stability of such institutions.

(6) There is a national interest in remedying the disparities described in paragraphs (2) and (4) and ensuring that Hispanic students have an equal opportunity to pursue postsecondary opportunities.

(b) PURPOSE.—The purpose of this title is to—

(1) expand educational opportunities for, and improve the academic attainment of, Hispanic students; and

(2) expand and enhance the academic offerings, program quality, and institutional stability of colleges and universities that are educating the majority of Hispanic college students and helping large numbers of Hispanic students and other low-income individuals complete postsecondary degrees.

(c) PROGRAM AUTHORITY.—The Secretary shall provide grants and related assistance to Hispanic-serving institutions to enable such institutions to improve and expand their capacity to serve Hispanic students and other low-income individuals.


(a) DEFINITIONS.—For the purpose of this title:

(1) EDUCATIONAL AND GENERAL EXPENDITURES.—The term “educational and general expenditures” means the total amount expended by an institution for instruction, research, public service, academic support (including library expenditures), student services, institutional support, scholarships and fellowships, operation and maintenance expenditures for the physical plant, and any mandatory transfers that the institution is required to pay by law.

(2) ELIGIBLE INSTITUTION.—The term “eligible institution” means—

(A) an institution of higher education—

(i) that has an enrollment of needy students as required by subsection (b);

(ii) except as provided in section 522(b), the average educational and general expenditures of which are low, per full-time equivalent undergraduate student, in comparison with the average educational and general expenditures per full-time equivalent under-

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graduate student of institutions that offer similar instruction;
(iii) that is—
(I) legally authorized to provide, and provides within the State, an educational program for which the institution awards a bachelor's degree;
or
(II) a junior or community college;
(iv) that is accredited by a nationally recognized accrediting agency or association determined by the Secretary to be reliable authority as to the quality of training offered or that is, according to such an agency or association, making reasonable progress toward accreditation;
(v) that meets such other requirements as the Secretary may prescribe; and
(vi) that is located in a State; and
(B) any branch of any institution of higher education described under subparagraph (A) that by itself satisfies the requirements contained in clauses (i) and (ii) of such subparagraph.

For purposes of the determination of whether an institution is an eligible institution under this paragraph, the factor described under subparagraph (A)(i) shall be given twice the weight of the factor described under subparagraph (A)(ii).

(3) ENDOWMENT FUND.—The term “endowment fund” means a fund that—
(A) is established by State law, by a Hispanic-serving institution, or by a foundation that is exempt from Federal income taxation;
(B) is maintained for the purpose of generating income for the support of the institution; and
(C) does not include real estate.

(4) 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.

(5) HISPANIC-SERVING INSTITUTION.—The term “Hispanic-serving institution” means an institution of higher education that—
(A) is an eligible institution; and
(B) has an enrollment of undergraduate full-time equivalent students that is at least 25 percent Hispanic students at the end of the award year immediately preceding the date of application.

(6) JUNIOR OR COMMUNITY COLLEGE.—The term “junior or community college” means an institution of higher education—
(A) that admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located and who have the ability to benefit from the training offered by the institution;
(B) that does not provide an educational program for which the institution awards a bachelor's degree (or an equivalent degree); and
(C) that—
(i) provides an educational program of not less than 2 years in duration that is acceptable for full credit toward such a degree; or
(ii) offers a 2-year program in engineering, mathematics, or the physical or biological sciences, designed to prepare a student to work as a technician or at the semiprofessional level in engineering, scientific, or other technological fields requiring the understanding and application of basic engineering, scientific, or mathematical principles of knowledge.

(b) ENROLLMENT OF NEEDY STUDENTS.—For the purpose of this title, the term “enrollment of needy students” means an enrollment at an institution with respect to which—
(1) at least 50 percent of the degree students so enrolled are receiving need-based assistance under title IV in the second fiscal year preceding the fiscal year for which the determination is made (other than loans for which an interest subsidy is paid pursuant to section 428); or
(2) a substantial percentage of the students so enrolled are receiving Federal Pell Grants in the second fiscal year preceding the fiscal year for which the determination is made, compared to the percentage of students receiving Federal Pell Grants at all such institutions in the second fiscal year preceding the fiscal year for which the determination is made, unless the requirement of this paragraph is waived under section 522(a).

(a) TYPES OF ACTIVITIES AUTHORIZED.—Grants awarded under this title shall be used by Hispanic-serving institutions of higher education to assist the institutions to plan, develop, undertake, and carry out programs to improve and expand the institutions' capacity to serve Hispanic students and other low-income students.
(b) AUTHORIZED ACTIVITIES.—Grants awarded under this section shall be used for one or more of the following activities:
(1) Purchase, rental, or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes.
(2) Construction, maintenance, renovation, and improvement in classrooms, libraries, laboratories, and other instructional facilities.
(3) Support of faculty exchanges, faculty development, curriculum development, academic instruction, and faculty fellowships to assist in attaining advanced degrees in the fellow's field of instruction.
(4) Purchase of library books, periodicals, and other educational materials, including telecommunications program material.
(5) Tutoring, counseling, and student service programs designed to improve academic success, including innovative and
customized instruction courses (which may include remedial education and English language instruction) designed to help retain students and move the students rapidly into core courses and through program completion.

(6) Articulation agreements and student support programs designed to facilitate the transfer from two-year to four-year institutions.

(7) Funds management, administrative management, and acquisition of equipment for use in strengthening funds management.

(8) Joint use of facilities, such as laboratories and libraries.

(9) Establishing or improving a development office to strengthen or improve contributions from alumni and the private sector.

(10) Establishing or improving an endowment fund.

(11) Creating or improving facilities for Internet or other distance education technologies, including purchase or rental of telecommunications technology equipment or services.

(12) Establishing or enhancing a program of teacher education designed to qualify students to teach in public elementary schools and secondary schools.

(13) Establishing community outreach programs that will encourage elementary school and secondary school students to develop the academic skills and the interest to pursue postsecondary education.

(14) Expanding the number of Hispanic and other underrepresented graduate and professional students that can be served by the institution by expanding courses and institutional resources.

(15) Providing education, counseling services, or financial information designed to improve the financial literacy and economic literacy of students or the students' families, especially with regard to student indebtedness and student assistance programs under title IV.

(16) Other activities proposed in the application submitted pursuant to section 504 that—

(A) contribute to carrying out the purposes of this title; and

(B) are approved by the Secretary as part of the review and acceptance of such application.

(c) ENDOWMENT FUND LIMITATIONS.—

(1) PORTION OF GRANT.—A Hispanic-serving institution may not use more than 20 percent of the grant funds provided under this title for any fiscal year for establishing or improving an endowment fund.

(2) MATCHING REQUIRED.—A Hispanic-serving institution that uses any portion of the grant funds provided under this title for any fiscal year for establishing or improving an endowment fund shall provide from non-Federal funds an amount equal to or greater than the portion.

(3) COMPARABILITY.—The provisions of part C of title III regarding the establishment or increase of an endowment fund, that the Secretary determines are not inconsistent with this subsection, shall apply to funds used under paragraph (1).
   (a) AWARD PERIOD.—The Secretary may award a grant to a Hispanic-serving institution under this title for 5 years.
   (b) PLANNING GRANTS.—Notwithstanding subsection (a), the Secretary may award a grant to a Hispanic-serving institution under this title for a period of 1 year for the purpose of preparation of plans and applications for a grant under this title.

SEC. 505. [20 U.S.C. 1101d] SPECIAL RULE.
   No Hispanic-serving institution that is eligible for and receives funds under this title may receive funds under part A or B of title III during the period for which funds under this title are awarded.

PART B—PROMOTING POSTBACCALAUREATE OPPORTUNITIES FOR HISPANIC AMERICANS

   The purposes of this part are—
   (1) to expand postbaccalaureate educational opportunities for, and improve the academic attainment of, Hispanic students; and
   (2) to expand the postbaccalaureate academic offerings and enhance the program quality in the institutions of higher education that are educating the majority of Hispanic college students and helping large numbers of Hispanic and low-income students complete postsecondary degrees.

SEC. 512. [20 U.S.C. 1102a] PROGRAM AUTHORITY AND ELIGIBILITY.
   (a) PROGRAM AUTHORIZED.—Subject to the availability of funds appropriated to carry out this part, the Secretary shall award grants, on a competitive basis, to eligible institutions to enable the eligible institutions to carry out the authorized activities described in section 513.
   (b) ELIGIBILITY.—For the purposes of this part, an “eligible institution” means an institution of higher education that—
   (1) is a Hispanic-serving institution (as defined in section 502); and
   (2) offers a postbaccalaureate certificate or postbaccalaureate degree granting program.

SEC. 513. [20 U.S.C. 1102b] AUTHORIZED ACTIVITIES.
   Grants awarded under this part shall be used for one or more of the following activities:
   (1) Purchase, rental, or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes.
   (2) Construction, maintenance, renovation, and improvement of classrooms, libraries, laboratories, and other instructional facilities, including purchase or rental of telecommunications technology equipment or services.
   (3) Purchase of library books, periodicals, technical and other scientific journals, microfilm, microfiche, and other educational materials, including telecommunications program materials.
(4) Support for low-income postbaccalaureate students including outreach, academic support services, mentoring, scholarships, fellowships, and other financial assistance to permit the enrollment of such students in postbaccalaureate certificate and postbaccalaureate degree granting programs.

(5) Support of faculty exchanges, faculty development, faculty research, curriculum development, and academic instruction.

(6) Creating or improving facilities for Internet or other distance education technologies, including purchase or rental of telecommunications technology equipment or services.

(7) Collaboration with other institutions of higher education to expand postbaccalaureate certificate and postbaccalaureate degree offerings.

(8) Other activities proposed in the application submitted pursuant to section 514 that—

   (A) contribute to carrying out the purposes of this part; and

   (B) are approved by the Secretary as part of the review and acceptance of such application.

SEC. 514. [20 U.S.C. 1102c] APPLICATION AND DURATION.

(a) APPLICATION.—Any eligible institution may apply for a grant under this part by submitting an application to the Secretary at such time and in such manner as the Secretary may require. Such application shall demonstrate how the grant funds will be used to improve postbaccalaureate education opportunities for Hispanic and low-income students.

(b) DURATION.—Grants under this part shall be awarded for a period not to exceed five years.

(c) LIMITATION.—The Secretary may not award more than one grant under this part in any fiscal year to any Hispanic-serving institution.

PART C—GENERAL PROVISIONS

SEC. 521. [20 U.S.C. 1103] ELIGIBILITY; APPLICATIONS.

(a) INSTITUTIONAL ELIGIBILITY.—Each Hispanic-serving institution desiring to receive assistance under this title shall submit to the Secretary such enrollment data as may be necessary to demonstrate that the institution is a Hispanic-serving institution as defined in section 502, along with such other data and information as the Secretary may by regulation require.

(b) APPLICATIONS.—

   (1) APPLICATIONS REQUIRED.—Any institution which is eligible for assistance under this title shall submit to the Secretary an application for assistance at such time, in such form, and containing such information, as may be necessary to enable the Secretary to evaluate the institution’s need for assistance. Subject to the availability of appropriations to carry out this title, the Secretary may approve an application for a grant under this title only if the Secretary determines that—

      (A) the application meets the requirements of subsection (c); and

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(B) the institution is eligible for assistance in accordance with the provisions of this title under which the assistance is sought.

(2) PRELIMINARY APPLICATIONS.—In carrying out paragraph (1), the Secretary may develop a preliminary application for use by Hispanic-serving institutions applying under this title prior to the submission of the principal application.

(c) CONTENTS.—A Hispanic-serving institution, in the institution's application for a grant, shall—

(1) set forth, or describe how the institution will develop, a comprehensive development plan to strengthen the institution's academic quality and institutional management, and otherwise provide for institutional self-sufficiency and growth (including measurable objectives for the institution and the Secretary to use in monitoring the effectiveness of activities under this title);

(2) include a 5-year plan for improving the assistance provided by the Hispanic-serving institution to Hispanic students and other low-income individuals;

(3) set forth policies and procedures to ensure that Federal funds made available under this title for any fiscal year will be used to supplement and, to the extent practical, increase the funds that would otherwise be made available for the purposes of section 501(b), and in no case supplant those funds;

(4) set forth policies and procedures for evaluating the effectiveness in accomplishing the purpose of the activities for which a grant is sought under this title;

(5) provide for such fiscal control and fund accounting procedures as may be necessary to ensure proper disbursement of and accounting for funds made available to the institution under this title;

(6) provide that the institution will comply with the limitations set forth in section 526;

(7) describe in a comprehensive manner any proposed project for which funds are sought under the application and include—

(A) a description of the various components of the proposed project, including the estimated time required to complete each such component;

(B) in the case of any development project that consists of several components (as described by the institution pursuant to subparagraph (A)), a statement identifying those components which, if separately funded, would be sound investments of Federal funds and those components which would be sound investments of Federal funds only if funded under this title in conjunction with other parts of the development project (as specified by the institution);

(C) an evaluation by the institution of the priority given any proposed project for which funds are sought in relation to any other projects for which funds are sought by the institution under this title, and a similar evaluation regarding priorities among the components of any single proposed project (as described by the institution pursuant to subparagraph (A));
(D) a detailed budget showing the manner in which funds for any proposed project would be spent by the institution; and

(E) a detailed description of any activity which involves the expenditure of more than $25,000, as identified in the budget referred to in subparagraph (D);

(8) provide for making reports, in such form and containing such information, as the Secretary may require to carry out the Secretary’s functions under this title, including not less than one report annually setting forth the institution’s progress toward achieving the objectives for which the funds were awarded and for keeping such records and affording such access to such records, as the Secretary may find necessary to assure the correctness and verification of such reports; and

(9) include such other information as the Secretary may prescribe.

(d) PRIORITY.—With respect to applications for assistance under this section, the Secretary shall give priority to an application that contains satisfactory evidence that the Hispanic-serving institution has entered into or will enter into a collaborative arrangement with at least one local educational agency or community-based organization to provide such agency or organization with assistance (from funds other than funds provided under this title) in reducing dropout rates for Hispanic students, improving rates of academic achievement for Hispanic students, and increasing the rates at which Hispanic secondary school graduates enroll in higher education.

(e) ELIGIBILITY DATA.—The Secretary shall use the most recent and relevant data concerning the number and percentage of students receiving need-based assistance under title IV in making eligibility determinations and shall advance the base-year for the determinations forward following each annual grant cycle.


(a) WAIVER REQUIREMENTS; NEED-BASED ASSISTANCE STUDENTS.—The Secretary may waive the requirements set forth in section 502(a)(2)(A)(i) in the case of an institution—

(1) that is extensively subsidized by the State in which the institution is located and charges low or no tuition;

(2) that serves a substantial number of low-income students as a percentage of the institution’s total student population;

(3) that is contributing substantially to increasing higher education opportunities for educationally disadvantaged, underrepresented, or minority students, who are low-income individuals;

(4) which is substantially increasing higher educational opportunities for individuals in rural or other isolated areas which are unserved by postsecondary institutions; or

(5) wherever located, if the Secretary determines that the waiver will substantially increase higher education opportunities appropriate to the needs of Hispanic Americans.

(b) WAIVER DETERMINATIONS; EXPENDITURES.—
(1) WAIVER DETERMINATIONS.—The Secretary may waive the requirements set forth in section 502(a)(2)(A)(ii) if the Secretary determines, based on persuasive evidence submitted by the institution, that the institution’s failure to meet the requirements is due to factors which, when used in the determination of compliance with the requirements, distort such determination, and that the institution’s designation as an eligible institution under part A is otherwise consistent with the purposes of this title.

(2) EXPENDITURES.—The Secretary shall submit to Congress every other year a report concerning the institutions that, although not satisfying the requirements of section 502(a)(2)(A)(ii), have been determined to be eligible institutions under part A. Such report shall—

(A) identify the factors referred to in paragraph (1) that were considered by the Secretary as factors that distorted the determination of compliance with clauses (i) and (ii) of section 502(a)(2)(A); and

(B) contain a list of each institution determined to be an eligible institution under part A including a statement of the reasons for each such determination.


(a) REVIEW PANEL.—All applications submitted under this title by Hispanic-serving institutions shall be read by a panel of readers composed of individuals who are selected by the Secretary and who include individuals representing Hispanic-serving institutions. The Secretary shall ensure that no individual assigned under this section to review any application has any conflict of interest with regard to the application that might impair the impartiality with which the individual conducts the review under this section.

(b) INSTRUCTION.—All readers selected by the Secretary shall receive thorough instruction from the Secretary regarding the evaluation process for applications submitted under this title that are consistent with the provisions of this title, including—

(1) an enumeration of the factors to be used to determine the quality of applications submitted under this title; and

(2) an enumeration of the factors to be used to determine whether a grant should be awarded for a project under this title, the amount of any such grant, and the duration of any such grant.

(c) RECOMMENDATIONS OF PANEL.—In awarding grants under this title, the Secretary shall take into consideration the recommendations of the panel made under subsection (a).

(d) NOTIFICATION.—Not later than June 30 of each year, the Secretary shall notify each Hispanic-serving institution making an application under this title of—

(1) the scores given the institution by the panel pursuant to this section;

(2) the recommendations of the panel with respect to such application; and

(3) the reasons for the decision of the Secretary in awarding or refusing to award a grant under this title, and any
modifications, if any, in the recommendations of the panel made by the Secretary.


(a) General Authority.—The Secretary may make grants to encourage cooperative arrangements with funds available to carry out this title, between Hispanic-serving institutions eligible for assistance under this title, and between such institutions and institutions not receiving assistance under this title, for the activities described in sections 503 and 513 so that the resources of the cooperating institutions might be combined and shared in order to achieve the purposes of this title, to avoid costly duplicative efforts, and to enhance the development of Hispanic-serving institutions.

(b) Priority.—The Secretary shall give priority to grants for the purposes described under subsection (a) whenever the Secretary determines that the cooperative arrangement is geographically and economically sound or will benefit the applicant Hispanic-serving institution.

(c) Duration.—Grants to Hispanic-serving institutions having a cooperative arrangement may be made under this section for a period determined under section 505.

SEC. 525. [20 U.S.C. 1103d] ASSISTANCE TO INSTITUTIONS UNDER OTHER PROGRAMS.

(a) Assistance Eligibility.—Each Hispanic-serving institution that the Secretary determines to be an institution eligible under this title may be eligible for waivers in accordance with subsection (b).

(b) Waiver Applicability.—

(1) In general.—Subject to, and in accordance with, regulations promulgated for the purpose of this section, in the case of any application by a Hispanic-serving institution referred to in subsection (a) for assistance under any programs specified in paragraph (2), the Secretary is authorized, if such application is otherwise approvable, to waive any requirement for a non-Federal share of the cost of the program or project, or, to the extent not inconsistent with other law, to give, or require to be given, priority consideration of the application in relation to applications from other institutions.

(2) Programs.—The provisions of this section shall apply to any program authorized by title IV or section 604.

(c) Limitation.—The Secretary shall not waive, under subsection (b), the non-Federal share requirement for any program for applications which, if approved, would require the expenditure of more than 10 percent of the appropriations for the program for any fiscal year.


The funds appropriated under section 528 may not be used—

(1) for a school or department of divinity or any religious worship or sectarian activity;

(2) for an activity that is inconsistent with a State plan for desegregation of higher education applicable to a Hispanic-serving institution;
(3) for an activity that is inconsistent with a State plan of higher education applicable to a Hispanic-serving institution; or
(4) for purposes other than the purposes set forth in the approved application under which the funds were made available to a Hispanic-serving institution.

Whoever, being an officer, director, agent, or employee of, or connected in any capacity with, any recipient of Federal financial assistance or grant pursuant to this title embezzles, willfully misapplies, steals, or obtains by fraud any of the funds that are the subject of such grant or assistance, shall be fined not more than $10,000 or imprisoned for not more than 2 years, or both.

SEC. 528. [20 U.S.C. 1103g] AUTHORIZATIONS OF APPROPRIATIONS.
(a) AUTHORIZATIONS.—
(1) PARTS A AND C.—There are authorized to be appropriated to carry out parts A and C $175,000,000 for fiscal year 2009 and such sums as may be necessary for each of the five succeeding fiscal years.
(2) PART B.—There are authorized to be appropriated to carry out part B $100,000,000 for fiscal year 2009 and such sums as may be necessary for each of the five succeeding fiscal years.
(b) USE OF MULTIPLE YEAR AWARDS.—In the event of a multiple year award to any Hispanic-serving institution under this title, the Secretary shall make funds available for such award from funds appropriated for this title for the fiscal year in which such funds are to be used by the institution.

TITLE VI—INTERNATIONAL EDUCATION PROGRAMS

PART A—INTERNATIONAL AND FOREIGN LANGUAGE STUDIES

SEC. 601. [20 U.S.C. 1121] FINDINGS; PURPOSES; CONSULTATION; SURVEY.
(a) FINDINGS.—Congress finds as follows:
(1) The security, stability, and economic vitality of the United States in a complex global era depend upon American experts in and citizens knowledgeable about world regions, foreign languages, and international affairs, as well as upon a strong research base in these areas.
(2) Advances in communications technology and the growth of regional and global problems make knowledge of other countries and the ability to communicate in other languages more essential to the promotion of mutual understanding and cooperation among nations and their peoples.
(3) Dramatic changes in the world’s geopolitical and economic landscapes are creating needs for American expertise and knowledge about a greater diversity of less commonly taught foreign languages and nations of the world.