

118TH CONGRESS  
2D SESSION

**S.** \_\_\_\_\_

To improve the structure of the Federal Pell Grant program, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

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Ms. HIRONO (for herself, Mrs. MURRAY, Mr. REED, Mr. WHITEHOUSE, Mr. PADILLA, Mr. KAINE, Mr. VAN HOLLEN, Mr. BOOKER, Ms. WARREN, Mr. DURBIN, Mr. BENNET, Ms. DUCKWORTH, Mr. WELCH, Mrs. SHAHEEN, Mr. WYDEN, Mr. CARDIN, Mr. CASEY, Ms. HASSAN, Mr. BLUMENTHAL, Mrs. GILLIBRAND, Mr. WARNOCK, Mr. HEINRICH, Ms. BUTLER, Ms. KLOBUCHAR, Mr. COONS, Mr. BROWN, Mr. FETTERMAN, Ms. BALDWIN, Mr. MERKLEY, Mr. MARKEY, Mr. MURPHY, Mr. OSSOFF, and Ms. SMITH) introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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**A BILL**

To improve the structure of the Federal Pell Grant program, 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 “Pell Grant Preserva-  
5 tion and Expansion Act of 2024”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1           (1) The United States needs individuals with  
2           the knowledge, skills, and abilities that enable them  
3           to thrive as educated citizens in society and success-  
4           fully participate in an interconnected economy.

5           (2) Investments in higher education through  
6           student aid such as the Federal Pell Grant program  
7           under section 401 of the Higher Education Act of  
8           1965 (20 U.S.C. 1070a) help students and families  
9           reach, afford, and complete education and training  
10          opportunities beyond high school.

11          (3) The Federal Pell Grant program is the larg-  
12          est source of federally funded grant aid for postsec-  
13          ondary education.

14          (4) The Federal Pell Grant program allows mil-  
15          lions of people of the United States to attend college  
16          and is especially vital for students of color. Three in  
17          5 African American undergraduate students, and  
18          one-half of all Latino undergraduate students, rely  
19          on the Federal Pell Grant program.

20          (5) The Federal Pell Grant program should  
21          continue to be a reliable source of funding for aspir-  
22          ing students, their families, and future generations  
23          that they can count on to be there for them when  
24          they seek higher education.

1           (6) To stabilize Federal Pell Grant funding and  
2           ensure the grant will continue to serve millions of  
3           students now and in the future, the program should  
4           become a fully mandatory program that grows with  
5           inflation.

6           (7) Restoring prior eligibility cuts and expand-  
7           ing access to underserved students will give millions  
8           of students and families the critical student aid sup-  
9           port they need and deserve.

10 **SEC. 3. TABLE OF CONTENTS; REFERENCES.**

11           (a) TABLE OF CONTENTS.—The table of contents of  
12 this Act is as follows:

Sec. 1. Short title.

Sec. 2. Findings.

Sec. 3. Table of contents; references.

Sec. 4. Doubling Federal Pell Grants and providing all Federal Pell Grants  
through mandatory funding.

Sec. 5. Providing increased Federal Pell Grants and other assistance for recipi-  
ents of means-tested benefits.

Sec. 6. Federal aid eligibility for dreamer students.

Sec. 7. Restoring the total semesters of Federal Pell Grant eligibility.

Sec. 8. Reducing financial aid penalties from satisfactory academic progress de-  
terminations.

Sec. 9. Conforming amendments.

Sec. 10. Effective date.

13           (b) REFERENCES.—Except as otherwise expressly  
14 provided, whenever in this Act an amendment or repeal  
15 is expressed in terms of an amendment to, or repeal of,  
16 a section or other provision, the reference shall be consid-  
17 ered to be made to a section or other provision of the  
18 Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

1 **SEC. 4. DOUBLING FEDERAL PELL GRANTS AND PRO-**  
2 **VIDING ALL FEDERAL PELL GRANTS**  
3 **THROUGH MANDATORY FUNDING.**

4 (a) AMOUNT OF MINIMUM FEDERAL PELL  
5 GRANTS.—Section 401 (20 U.S.C. 1070a) is amended—

6 (1) in subsection (a)(2)(F), by striking “10 per-  
7 cent” and inserting “5 percent”;

8 (2) in subsection (b)—

9 (A) in paragraph (1)(B)(i), by striking  
10 “paragraph (5)(A)” and inserting “paragraph  
11 (5)”;

12 (B) by striking paragraph (5) and insert-  
13 ing the following:

14 “(5) TOTAL MAXIMUM FEDERAL PELL  
15 GRANT.—

16 “(A) AWARD YEAR 2025–2026.—For award  
17 year 2025–2026, the total maximum Federal  
18 Pell Grant award shall be \$10,000.

19 “(B) AWARD YEAR 2026–2027.—For award  
20 year 2026–2027, the total maximum Federal  
21 Pell Grant award shall be \$11,000.

22 “(C) AWARD YEAR 2027–2028.—For award  
23 year 2027–2028, the total maximum Federal  
24 Pell Grant award shall be \$12,000.

1           “(D) AWARD YEAR 2028–2029.—For award  
2 year 2028–2029, the total maximum Federal  
3 Pell Grant award shall be \$13,000.

4           “(E) AWARD YEAR 2029–2030.—For award  
5 year 2029–2030, the total maximum Federal  
6 Pell Grant award shall be \$14,000.

7           “(F) AWARD YEAR 2030–2031 AND SUBSE-  
8 QUENT YEARS.—For award year 2030–2031,  
9 and each subsequent award year, the total max-  
10 imum Federal Pell Grant award shall be  
11 \$14,000—

12           “(i) increased by the adjustment per-  
13 centage for the award year for which the  
14 amount under this subparagraph is being  
15 determined; and

16           “(ii) rounded to the nearest \$50.

17           “(G) DEFINITION OF ADJUSTMENT PER-  
18 CENTAGE.—In this paragraph, the term ‘adjust-  
19 ment percentage,’ as applied to an award year,  
20 is equal to the percentage increase in the Con-  
21 sumer Price Index, as defined in section 478(f),  
22 for the most recent calendar year ending prior  
23 to the beginning of the award year.”;

24           (C) by striking paragraphs (6) and (7) and  
25 inserting the following:

1           “(6) APPROPRIATION OF FUNDS.—There are  
2 authorized to be appropriated, and there are appro-  
3 priated, out of any money in the Treasury not other-  
4 wise appropriated, such sums as may be necessary  
5 for fiscal year 2025 and each subsequent fiscal year  
6 to provide the Federal Pell Grant for which a stu-  
7 dent shall be eligible under this section during an  
8 award year.”; and

9           (D) by redesignating paragraphs (8) and  
10           (9) as paragraphs (7) and (8), respectively;

11           (3) in subsection (d)(5)(B)—

12           (A) in clause (i), by striking “subclause (I)  
13 or (II)” and inserting “subclause (I), (II), or  
14 (III)”; and

15           (B) in clause (ii)—

16           (i) in subclause (I)(bb), by striking  
17 “or” after the semicolon;

18           (ii) in subclause (II)(bb)(CC), by  
19 striking the period and inserting “; or”;  
20 and

21           (iii) by adding at the end the fol-  
22 lowing:

23           “(III) during a period for which  
24 the student did not receive a loan  
25 under this title but for which, if the

1 student had received such a loan, such  
2 loan would have been discharged  
3 under the circumstances described in  
4 subclause (II)(bb)(CC).”;

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

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

8 (b) REPEAL OF SCORING REQUIREMENT.—Section  
9 406 of H. Con. Res. 95 (109th Congress) is amended—

10 (1) by striking subsection (b); and

11 (2) by striking “(a) IN GENERAL.—Upon” and  
12 inserting the following: “Upon”.

13 (c) STUDENT SUPPORT SERVICES.—Section  
14 402D(d)(1) (20 U.S.C. 1070a–14(d)(1)) is amended by  
15 striking “the minimum” and inserting “10 percent of the  
16 total maximum”.

17 (d) SCHOLARSHIP COMPONENT.—Section 404E(d)  
18 (20 U.S.C. 1070a–25(d)) is amended by striking “less  
19 than the minimum” and inserting “less than 10 percent  
20 of the total maximum”.

21 **SEC. 5. PROVIDING INCREASED FEDERAL PELL GRANTS**  
22 **AND OTHER ASSISTANCE FOR RECIPIENTS**  
23 **OF MEANS-TESTED BENEFITS.**

24 (a) INCREASED AMOUNT OF MAXIMUM FEDERAL  
25 PELL GRANTS FOR STUDENTS WITH NEGATIVE STU-

1 DENT AID INDEXES.—Section 401(b)(1) (20 U.S.C.  
2 1070a(b)(1)), as amended by section 4 of this Act, is fur-  
3 ther amended—

4 (1) in subparagraph (A)—

5 (A) in the matter preceding clause (i), by  
6 striking “A student” and inserting “Except in  
7 the case of a student with a student aid index  
8 of less than zero, a student”;

9 (B) by striking clause (i); and

10 (C) by redesignating clauses (ii) and (iii)  
11 as clauses (i) and (ii), respectively;

12 (2) by redesignating subparagraphs (B)  
13 through (E) as subparagraphs (C) through (F), re-  
14 spectively;

15 (3) by inserting after subparagraph (A) the fol-  
16 lowing:

17 “(B) A student with a student aid index of  
18 less than zero shall be eligible for a Federal  
19 Pell Grant award that exceeds the total max-  
20 imum Federal Pell Grant by an amount equal  
21 to the amount by which the student’s student  
22 aid index is less than zero.”;

23 (4) in subparagraph (C), as redesignated by  
24 paragraph (2)—



1 (A) in the matter preceding clause (i), by  
2 striking “subparagraph (A) for an academic  
3 year,” and inserting “subparagraph (A), or an  
4 increased Federal Pell Grant under subpara-  
5 graph (B), for an academic year;” and

6 (B) in clause (ii), by striking “, except that  
7 a student aid index of less than zero shall be  
8 considered to be zero for the purposes of this  
9 clause”;

10 (5) in subparagraph (D), as redesignated by  
11 paragraph (2), by striking “(A) or (B)” and insert-  
12 ing “(A), (B), or (C)”;

13 (6) in subparagraph (E), as redesignated by  
14 paragraph (2), by inserting “or an increased Federal  
15 Pell Grant under subparagraph (B)” after “subpara-  
16 graph (A)”;

17 (7) in subparagraph (F), as redesignated by  
18 paragraph (2), by striking “or a minimum Federal  
19 Pell Grant under subparagraph (C)” and inserting  
20 “an increased Federal Pell Grant under subpara-  
21 graph (B), or a minimum Federal Pell Grant under  
22 subparagraph (D)”.

23 (b) SPECIAL STUDENT AID INDEX RULE FOR RE-  
24 CIPIENTS OF MEANS-TESTED BENEFITS.—Section 473

1 (20 U.S.C. 1087mm) is amended by adding at the end  
2 the following:

3 “(d) **SPECIAL RULE FOR MEANS-TESTED BENEFIT**  
4 **RECIPIENTS.**—Notwithstanding subsection (b), for an ap-  
5 plicant (or, as applicable, an applicant and spouse, or an  
6 applicant’s parents) who, at any time during the previous  
7 2 -year period, received a benefit under a means-tested  
8 Federal benefit program, as defined in section  
9 479(b)(4)(H), (or whose parent or spouse received such  
10 a benefit, as applicable), the Secretary shall for the pur-  
11 poses of this title consider the student aid index as equal  
12 to –\$1,500 for the applicant.”.

13 **SEC. 6. FEDERAL AID ELIGIBILITY FOR DREAMER STU-**  
14 **DENTS.**

15 Section 484 (20 U.S.C. 1091) is amended—

16 (1) in subsection (a)(5), by inserting “, or be a  
17 Dreamer student, as defined in subsection (u)” after  
18 “becoming a citizen or permanent resident”; and

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

20 “(u) **DREAMER STUDENTS.**—

21 “(1) **IN GENERAL.**—In this section, the term  
22 ‘Dreamer student’ means an individual who—

23 “(A)(i) is not a citizen or national of the  
24 United States; and

1           “(ii) is inadmissible or deportable under  
2           the Immigration and Nationality Act (8 U.S.C.  
3           1101 et seq.); and

4           “(B)(i) in the case of such an individual  
5           who was younger than 18 years of age on the  
6           date on which the individual initially entered  
7           the United States—

8                   “(I) has earned a high school diploma,  
9                   the recognized equivalent of such diploma  
10                  from a secondary school, or a high school  
11                  equivalency diploma recognized by State  
12                  law, or is scheduled to complete the re-  
13                  quirements for such a diploma or equiva-  
14                  lent before the next academic year begins;

15                  “(II) is enrolled at an institution of  
16                  higher education pursuant to subsection  
17                  (d);

18                  “(III) has served in the uniformed  
19                  services (as such term is defined in section  
20                  101 of title 10, United States Code) for  
21                  not less than 2 years and, if discharged,  
22                  received an honorable discharge;

23                  “(IV) has acquired a degree, certifi-  
24                  cate, or recognized postsecondary creden-  
25                  tial from an institution of higher education

1 or area career and technical education  
2 school (as such term is defined in section  
3 of the Carl D. Perkins Career and Tech-  
4 nical Education Act of 2006 (20 U.S.C.  
5 2302)); or

6 “(V) has completed not less than 2  
7 years in a postsecondary program at an in-  
8 stitution of higher education, or area ca-  
9 reer and technical education school, in the  
10 United States; or

11 “(ii)(I) is, or at any time was, eligible for  
12 a grant of deferred action pursuant to—

13 “(aa) the memorandum of the De-  
14 partment of Homeland Security entitled  
15 ‘Exercising Prosecutorial Discretion with  
16 Respect to Individuals Who Came to the  
17 United States as Children’ issued on June  
18 15, 2012; or

19 “(bb) the memorandum of the De-  
20 partment of Homeland Security entitled  
21 ‘Exercising Prosecutorial Discretion with  
22 Respect to Individuals Who Came to the  
23 United States as Children and with Re-  
24 spect to Certain Individuals Who Are the  
25 Parents of U.S. Citizens or Permanent

1 Residents' issued on November 20, 2014;

2 or

3 “(II) would have been eligible for such a  
4 grant of deferred action if the applicable memo-  
5 randum described in subclause (I) had been  
6 fully in effect since the date on which it was  
7 issued.

8 “(2) HARDSHIP EXCEPTION.—The Secretary  
9 shall issue regulations that direct when the Depart-  
10 ment shall waive the age requirement of paragraph  
11 (1)(B)(i) for an individual to qualify as a Dreamer  
12 student under such paragraph, if the individual dem-  
13 onstrates compelling circumstances, such as eco-  
14 nomic hardship (as defined in section 435(o)).”.

15 **SEC. 7. RESTORING THE TOTAL SEMESTERS OF FEDERAL**  
16 **PELL GRANT ELIGIBILITY.**

17 Section 401(d)(5)(A) is amended by striking “12”  
18 each place the term appears and inserting “18”.

19 **SEC. 8. REDUCING FINANCIAL AID PENALTIES FROM SATIS-**  
20 **FACTORY ACADEMIC PROGRESS DETERMINA-**  
21 **TIONS.**

22 Section 484(c) of the Higher Education Act of 1965  
23 (20 U.S.C. 1091(c)) is amended to read as follows:

24 “(c) SATISFACTORY PROGRESS.—

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

1           “(A) APPEAL.—The term ‘appeal’ means a  
2 process by which a student who is not meeting  
3 the institution’s satisfactory academic progress  
4 standards petitions the institution for reconsid-  
5 eration of the student’s eligibility for assistance  
6 under this title.

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

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

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

24           “(2) SATISFACTORY ACADEMIC PROGRESS POL-  
25 ICY.—An institution shall establish a reasonable sat-

1       isfactory academic progress policy for determining  
2       whether an otherwise eligible student is making sat-  
3       isfactory academic progress in the student’s edu-  
4       cational program and may receive assistance under  
5       this title. The Secretary shall consider the institu-  
6       tion’s policy to be reasonable if—

7               “(A) the policy is not more burdensome  
8               than the policy the institution applies to a stu-  
9               dent who is not receiving assistance under this  
10              title;

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

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

21             “(ii) if a student is enrolled in an edu-  
22             cational program of more than 2 academic  
23             years, the policy specifies that at the end of the  
24             second academic year, the student must have a  
25             grade point average of at least a ‘C’ or its

1 equivalent, or have academic standing con-  
2 sistent with the institution's requirements for  
3 graduation;

4 “(D) the policy provides for measurement  
5 of the student's progress at each evaluation;

6 “(E) the policy describes—

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

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



1 not earned by the student (including in-  
2 completes, withdrawn courses, and failed  
3 courses) before the student was determined  
4 not to be making satisfactory academic  
5 progress will not negatively impact the de-  
6 termination of whether the student made  
7 satisfactory academic progress after such  
8 reset;

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

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

22 “(ii) at the end of the second aca-  
23 demic year with respect to a student who  
24 is in an educational program of more than  
25 2 academic years in length;

1           “(G) the policy describes when students  
2 will be placed on financial aid warning or finan-  
3 cial aid probation, in accordance with para-  
4 graph (4), and provides that—

5                   “(i) a student on financial aid warn-  
6 ing—

7                           “(I) shall continue to be eligible  
8 for assistance under this title for one  
9 payment period despite a determina-  
10 tion that the student is not making  
11 satisfactory academic progress; and

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

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

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

1 academic plan developed by the institution  
2 and the student, in order to qualify for  
3 continued assistance under this title;

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

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

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

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

23 “(I) if the institution does not permit a  
24 student to appeal a determination by the insti-  
25 tution that the student is not making satisfac-

1 tory academic progress, the policy describes  
2 how the student may reestablish the student's  
3 eligibility to receive assistance under this title;

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

8 “(K) the policy does not impose satisfac-  
9 tory progress limitations on need-based institu-  
10 tional aid that are more stringent than the  
11 standard applied under this subsection, unless  
12 the institution demonstrates to the satisfaction  
13 of the Secretary that the policy improves stu-  
14 dent persistence in, and completion of, postsec-  
15 ondary education for all students.

16 “(3) REGAINING ELIGIBILITY.—

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

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

8 “(B) STUDENTS WHO LEAVE SCHOOL.—

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

1                   nicity, sex, age, socioeconomic status,  
2                   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 shall  
4           conduct consumer testing to develop exemplary prac-  
5           tices and templates—

6           “(A) to support institutions of higher edu-  
7           cation in carrying out paragraph (5); and

8           “(B) which shall be available as resources  
9           for institutions of higher education.”.

10 **SEC. 9. CONFORMING AMENDMENTS.**

11       The Act (20 U.S.C. 1001 et seq.) is amended—

12           (1) in section 401A(d)(1)(B)(i) (20 U.S.C.  
13           1070a–1(d)(1)(B)(i)), by striking “section  
14           401(b)(2)(B)” and inserting “section 401(b)(2)”;

15           (2) in section 402D(d)(1) (20 U.S.C. 1070a–  
16           14(d)(1))—

17           (A) by striking “section 401(b)(2)(A)” and  
18           inserting “section 401(b)(1)”;

19           (B) by striking “described in section  
20           401(b)(4)” and inserting “as described in sec-  
21           tion 401(b)(5)”;

22           (3) in section 435(a)(5)(A)(i)(I) (20 U.S.C.  
23           1085(a)(5)(A)(i)(I)), by striking “under section  
24           401(b)(2)(A)” and inserting “under section  
25           401(b)(1)”;

1           (4) in section 894(f)(2)(C)(ii)(I) (20 U.S.C.  
2           1161y(f)(2)(C)(ii)(I)), by striking “section  
3           401(b)(2)(A)” and inserting “section 401(b)(1)”.

4 **SEC. 10. EFFECTIVE DATE.**

5           Except as otherwise provided, this Act, and the  
6 amendments made by this Act to the Higher Education  
7 Act of 1965 (20 U.S.C. 1001 et seq.), shall take effect  
8 on July 1, 2025, and apply with respect to award year  
9 2025–2026 and each subsequent award year, as deter-  
10 mined under the Higher Education Act of 1965. The Sec-  
11 retary of Education shall have the authority to take such  
12 steps as are necessary before July 1, 2025, to provide for  
13 the orderly implementation on such date of the amend-  
14 ments to the Higher Education Act of 1965 made by this  
15 Act.