

110TH CONGRESS
1ST SESSION

S. 1399

To amend the Internal Revenue Code of 1986 to combine the Hope Scholarship Credit and the deduction for qualified tuition and related expenses into a refundable college affordability and creating chances for educational success for students (ACCESS) credit, to establish an Early Federal Pell Grant Commitment Demonstration Program, and to increase the maximum Federal Pell Grant Award.

IN THE SENATE OF THE UNITED STATES

MAY 15, 2007

Mr. BIDEN introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to combine the Hope Scholarship Credit and the deduction for qualified tuition and related expenses into a refundable college affordability and creating chances for educational success for students (ACCESS) credit, to establish an Early Federal Pell Grant Commitment Demonstration Program, and to increase the maximum Federal Pell Grant Award.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “College Affordability
3 and Creating Chances for Educational Success for Stu-
4 dents Act of 2007”.

5 **TITLE I—COLLEGE ACCESS TAX**
6 **CREDIT ACT**

7 **SEC. 101. SHORT TITLE.**

8 This title may be cited as the “College ACCESS Tax
9 Credit Act”.

10 **SEC. 102. COLLEGE AFFORDABILITY AND CREATING**
11 **CHANCES FOR EDUCATIONAL SUCCESS FOR**
12 **STUDENTS (ACCESS) CREDIT.**

13 (a) ALLOWANCE OF CREDIT.—

14 (1) IN GENERAL.—Subpart C of part IV of sub-
15 chapter A of chapter 1 of the Internal Revenue Code
16 of 1986 (relating to refundable credits) is amended
17 by redesignating section 36 as section 37 and by in-
18 serting after section 35 the following new section:

19 **“SEC. 36. COLLEGE AFFORDABILITY AND CREATING**
20 **CHANCES FOR EDUCATIONAL SUCCESS FOR**
21 **STUDENTS (ACCESS) CREDIT.**

22 “(a) ALLOWANCE OF CREDIT.—There shall be al-
23 lowed as a credit against the tax imposed by this subtitle
24 for any taxable year an amount equal to the qualified tui-
25 tion and related expenses paid by the taxpayer during the

1 taxable year (for education furnished during any academic
2 period beginning in such taxable year).

3 “(b) LIMITATIONS.—

4 “(1) IN GENERAL.—The credit allowed under
5 this section shall not exceed \$3,000 with respect to
6 any student for any taxable year.

7 “(2) LIFETIME LIMITATION.—The credit al-
8 lowed under this section with respect to any student
9 shall not exceed—

10 “(A) the excess (if any) of —

11 “(i) \$12,000 with respect to education
12 furnished prior to the date such student
13 receives a baccalaureate degree, over

14 “(ii) the aggregate credit allowed
15 under this section with respect to such
16 education for all prior taxable years, and

17 “(B) the excess (if any) of—

18 “(i) \$6,000 with respect to education
19 furnished after to the date such student
20 receives a baccalaureate degree, over

21 “(ii) the aggregate credit allowed
22 under this section with respect to such
23 education for all prior taxable years.

24 “(3) LIMITATION BASED ON MODIFIED AD-
25 JUSTED GROSS INCOME.—

1 “(A) IN GENERAL.—The amount which
 2 would (but for this subsection) be taken into ac-
 3 count under subsection (a) for the taxable year
 4 shall be reduced (but not below zero) by the
 5 amount determined under subparagraph (B).

6 “(B) AMOUNT OF REDUCTION.—The
 7 amount determined under this subparagraph is
 8 the amount which bears the same ratio to the
 9 amount which would be so taken into account
 10 as—

11 “(i) the excess of—

12 “(I) the taxpayer’s modified ad-
 13 justed gross income for such taxable
 14 year, over

15 “(II) \$65,000 (\$130,000 in the
 16 case of a joint return), bears to

17 “(ii) \$18,500 (\$37,000 in the case of
 18 a joint return).

19 “(C) MODIFIED ADJUSTED GROSS IN-
 20 COME.—The term ‘modified adjusted gross in-
 21 come’ means the adjusted gross income of the
 22 taxpayer for the taxable year increased by any
 23 amount excluded from gross income under sec-
 24 tion 911, 931, or 933.

1 “(4) DENIAL OF CREDIT IF STUDENT CON-
2 VICTED OF A FELONY DRUG OFFENSE.—The credit
3 under subsection (a) shall not be allowed for quali-
4 fied tuition and related expenses for the enrollment
5 or attendance of a student for any academic period
6 if such student has been convicted of a Federal or
7 State felony offense consisting of the possession or
8 distribution of a controlled substance before the end
9 of the taxable year with or within which such period
10 ends.

11 “(c) ELECTION NOT TO HAVE SECTION APPLY.—A
12 taxpayer may elect not to have this section apply with re-
13 spect to the qualified tuition and related expenses of an
14 individual for any taxable year.

15 “(d) DEFINITIONS.—For purposes of this section, the
16 terms ‘qualified tuition and related expenses’ and ‘eligible
17 educational institution’ shall have the meaning give such
18 terms under section 25A(d).

19 “(e) SPECIAL RULES.—For purposes of this section,
20 rules similar to the rules of paragraphs (1) through (7)
21 of section 25A shall apply.

22 “(f) INFLATION ADJUSTMENT.—

23 “(1) DOLLAR LIMITATION ON AMOUNT OF
24 CREDIT.—

1 “(A) IN GENERAL.—In the case of a tax-
2 able year beginning after 2007, the \$3,000
3 amount under subsection (b)(1) shall be in-
4 creased by an amount equal to—

5 “(i) such dollar amount, multiplied by

6 “(ii) the cost-of-living adjustment de-
7 termined under section 1(f)(3) for the cal-
8 endar year in which the taxable year be-
9 gins, determined by substituting ‘calendar
10 year 2006’ for ‘calendar year 1992’ in sub-
11 paragraph (B) thereof.

12 “(B) ROUNDING.—If any amount as ad-
13 justed under subparagraph (A) is not a multiple
14 of \$100, such amount shall be rounded to the
15 next lowest multiple of \$100.

16 “(2) INCOME LIMITS.—

17 “(A) IN GENERAL.—In the case of a tax-
18 able year beginning after 2007, each of the dol-
19 lar amounts in subsection (b)(2)(B) shall each
20 be increased by an amount equal to—

21 “(i) such dollar amount, multiplied by

22 “(ii) the cost-of-living adjustment de-
23 termined under section 1(f)(3) for the cal-
24 endar year in which the taxable year be-
25 gins, determined by substituting ‘calendar

1 year 2006’ for ‘calendar year 1992’ in sub-
2 paragraph (B) thereof.

3 “(B) ROUNDING.—If any amount as ad-
4 justed under subparagraph (A) is not a multiple
5 of \$1,000, such amount shall be rounded to the
6 next lowest multiple of \$1,000.

7 “(g) REGULATIONS.—The Secretary may prescribe
8 such regulations as may be necessary or appropriate to
9 carry out this section, including regulations providing for
10 a recapture of the credit allowed under this section in
11 cases where there is a refund in a subsequent taxable year
12 of any amount which was taken into account in deter-
13 mining the amount of such credit.”.

14 (2) REFUNDABILITY OF CREDIT.—Paragraph
15 (2) of section 1324(b) of title 31, United States
16 Code, is amended by inserting before the period “or
17 enacted by the College ACCESS Tax Credit Act”.

18 (3) CONFORMING AMENDMENTS.—

19 (A) Subparagraph (A) of section 135(d)(2)
20 of the Internal Revenue Code of 1986 is
21 amended by striking “section 25A” and insert-
22 ing “sections 25A and 36”.

23 (B) Section 529 of such Code is amended
24 by striking “the credit allowed to the taxpayer
25 or any other person under section 25A” in sub-

1 clause (II) of subsection (c)(3)(B)(v) and in-
 2 serting “any credit allowed to the taxpayer or
 3 any other person under sections 25A and 36”.

4 (C) Section 530 of such Code is amended
 5 by striking “the credit allowed to the taxpayer
 6 or any other person under section 25A” in sub-
 7 clause (II) of subsection (d)(2)(C)(i) and insert-
 8 ing “any credit allowed to the taxpayer or any
 9 other person under sections 25A and 36”.

10 (D) Subparagraph (J) of section
 11 6213(g)(2) of such Code is amended by striking
 12 “section 25A(g)(1)” and inserting “section
 13 25A(g)(1) or 36(e)(1)”.

14 (E) Section 6501(m) of such Code is
 15 amended by inserting “36(c),” before “, 40(f)”

16 (F) The table of sections for subpart C of
 17 part IV of subchapter A of chapter 1 of such
 18 Code is amended by striking the item relating
 19 to section 36 and inserting the following:

“Sec. 36. College affordability and creating chances for educational success for
 students (ACCESS) credit.

“Sec. 37. Overpayments of tax.”.

20 (b) REPEAL OF HOPE SCHOLARSHIP CREDIT.—

21 (1) IN GENERAL.—Subsection (a) of section
 22 25A of the Internal Revenue Code of 1986 is
 23 amended to read as follows:

1 “(a) ALLOWANCE OF CREDIT.—In the case of an in-
2 dividual, there shall be allowed as a credit against the tax
3 imposed by this chapter for the taxable year an amount
4 equal to 20 percent of so much of the qualified tuition
5 and related expenses paid by the taxpayer during the tax-
6 able year (for education furnished during any academic
7 period beginning in such taxable year) as does not exceed
8 \$10,000.”.

9 (2) CONFORMING AMENDMENTS.—

10 (A) Section 25A of such Code is amended
11 by striking subsections (b) and (c) and by re-
12 designating subsections (d), (e), (f), (g), (h),
13 and (i) as subsections (b), (c), (d), (e), (f), and
14 (g).

15 (B) Section 25A(e) of such Code, as redesi-
16 gnated by subparagraph (A), is amended by
17 adding at the end the following:

18 “(8) COORDINATION WITH COLLEGE AFFORD-
19 ABILITY AND CREATING CHANCES FOR EDU-
20 CATIONAL SUCCESS FOR STUDENTS (ACCESS) CRED-
21 IT.—The qualified tuition and related expenses with
22 respect to an individual for whom a credit under sec-
23 tion 36 is allowed for the taxable year shall not be
24 taken into account under this section.

1 “(9) CERTAIN EXPENSES ELIGIBLE.—For pur-
2 poses of this section, qualified tuition and related ex-
3 penses shall include expenses described in subsection
4 (d)(1) with respect to any course of instruction at an
5 eligible educational institution to acquire or improve
6 job skills of the individual.”.

7 (C) Paragraph (2) of section 25A(e) of
8 such Code, as redesignated by subparagraph
9 (A), is amended by striking “before the applica-
10 tion of subsections (b), (c), and (d)” and insert-
11 ing “before the application of subsection (b)
12 and paragraphs (8) and (9) of this subsection”.

13 (D) Section 25A(f) of such Code, as redesi-
14 gnated by subparagraph (A), is amended to
15 read as follows:

16 “(f) INFLATION ADJUSTMENT.—

17 “(1) IN GENERAL.—In the case of a taxable
18 year beginning after 2001, the \$40,000 and \$80,000
19 amounts in subsection (b)(2) shall each be increased
20 by an amount equal to—

21 “(A) such dollar amount, multiplied by

22 “(B) the cost-of-living adjustment deter-
23 mined under section 1(f)(3) for the calendar
24 year in which the taxable year begins, deter-
25 mined by substituting ‘calendar year 2000’ for

1 ‘calendar year 1992’ in subparagraph (B)
2 thereof.

3 “(2) ROUNDING.—If any amount as adjusted
4 under subparagraph (A) is not a multiple of \$1,000,
5 such amount shall be rounded to the next lowest
6 multiple of \$1,000.”.

7 (E) The heading for section 25A of such
8 Code is amended—

9 (i) by striking “**HOPE AND**”, and

10 (ii) by striking “**CREDITS**” and in-
11 serting “**CREDIT**”.

12 (F) The item relating to section 25A in the
13 table of sections for subpart A of part IV of
14 subchapter A of chapter 1 of such Code is
15 amended to read as follows:

“25A. Lifetime Learning credit.”.

16 (G)(i) Subparagraph (B) of section
17 72(t)(7) of such Code is amended by striking
18 “section 25A(g)(2)” and inserting “section
19 25A(e)(2)”.

20 (ii) Section 221(d) of such Code is amend-
21 ed—

22 (I) by striking “section 25A(g)(2)” in
23 paragraph (2)(B) and inserting “section
24 25A(e)(2)”,

1 (II) by striking “section 25A(f)(2)” in
2 paragraph (2)(B) and inserting “section
3 25A(d)(2)”, and

4 (III) by striking “section 25A(b)(3)”
5 in paragraph (3) and inserting “section
6 25A(b)(3)(B)”.

7 (iii) Section 529 of such Code is amend-
8 ed—

9 (I) by striking “section 25A(g)(2)” in
10 subclause (I) of subsection (e)(3)(B)(v)
11 and inserting “section 25A(e)(2)”, and

12 (II) by striking “section 25A(b)(3)”
13 in clause (i) of subsection (e)(3)(B) and in-
14 serting “section 25A(b)(3)(A)”.

15 (iv) Section 530 of such Code is amend-
16 ed—

17 (I) by striking “section 25A(g)(2)” in
18 subclause (I) of subsection (d)(2)(C)(i) and
19 inserting “section 25A(e)(2)”, and

20 (II) by striking “section 25A(g)(2)”
21 in clause (iii) of subsection (d)(4)(B) and
22 inserting “section 25A(e)(2)”.

23 (v) Subsection (e) of section 6050S of such
24 Code is amended by striking “(g)(2) thereof”
25 and inserting “(e)(2) thereof”.

1 (vi) Subparagraph (J) of section
2 6213(g)(2) of such Code, as amended by sub-
3 section 9a)(3), is amended by striking “section
4 25A(g)(1)” and inserting “section 25A(e)(1)”.

5 (c) REPEAL OF DEDUCTION FOR QUALIFIED TUI-
6 TION AND RELATED EXPENSES.—

7 (1) IN GENERAL.—Part VII of subchapter B of
8 chapter 1 of the Internal Revenue Code of 1986 is
9 amended by striking section 222.

10 (2) CONFORMING AMENDMENTS.—

11 (A) The table of sections for part VII of
12 subchapter B of chapter 1 of such Code is
13 amended by striking the item relating to section
14 222.

15 (B) The following sections of the Internal
16 Revenue Code of 1986 are each amended by
17 striking “222,”:

18 (i) Section 86(b)(2)(A).

19 (ii) Section 135(c)(4)(A).

20 (iii) Section 137(b)(3)(A).

21 (iv) Section 199(d)(2)(A).

22 (v) Section 219(g)(3)(A)(ii).

23 (vi) Section 221(b)(2)(C)(i).

1 (C) Section 469(i)(3)(F)(iii) of such Code
 2 is amended by striking “221, and 222” and in-
 3 serting “and 221”.

4 (d) EFFECTIVE DATE.—The amendments made by
 5 this section shall apply to expenses paid after December
 6 31, 2006, for education furnished in academic periods be-
 7 ginning after such date.

8 **TITLE II—EARLY FEDERAL PELL**
 9 **GRANT COMMITMENT DEM-**
 10 **ONSTRATION PROGRAM**

11 **SEC. 201. EARLY FEDERAL PELL GRANT COMMITMENT**
 12 **DEMONSTRATION PROGRAM.**

13 Subpart 1 of part A of title IV of the Higher Edu-
 14 cation Act of 1965 (20 U.S.C. 1070a et seq.) is amended
 15 by adding at the end the following:

16 **“SEC. 401B. EARLY FEDERAL PELL GRANT COMMITMENT**
 17 **DEMONSTRATION PROGRAM.**

18 “(a) DEMONSTRATION PROGRAM AUTHORITY.—

19 “(1) IN GENERAL.—The Secretary is authorized
 20 to carry out an Early Federal Pell Grant Commit-
 21 ment Demonstration Program under which—

22 “(A) the Secretary awards grants to 4
 23 State educational agencies, in accordance with
 24 paragraph (2), to pay the administrative ex-

1 penses incurred in participating in the dem-
2 onstration program under this section; and

3 “(B) the Secretary awards Federal Pell
4 Grants to participating students in accordance
5 with this section.

6 “(2) GRANTS.—

7 “(A) IN GENERAL.—From amounts appro-
8 priated under subsection (g) for a fiscal year,
9 the Secretary is authorized to award grants to
10 4 State educational agencies to enable the State
11 educational agencies to pay the administrative
12 expenses incurred in participating in a dem-
13 onstration program under which students in 8th
14 grade who are eligible for a free or reduced
15 price meal receive a commitment to receive a
16 Federal Pell Grant early in their academic ca-
17 reers.

18 “(B) EQUAL AMOUNTS.—The Secretary
19 shall award grants under this section in equal
20 amounts to each of the 4 participating State
21 educational agencies.

22 “(b) DEMONSTRATION PROJECT REQUIREMENTS.—
23 Each of the 4 demonstration projects assisted under this
24 section shall meet the following requirements:

25 “(1) PARTICIPANTS.—

1 “(A) IN GENERAL.—The State educational
2 agency shall make participation in the dem-
3 onstration project available to 2 cohorts of stu-
4 dents, which shall consist of—

5 “(i) 1 cohort of 8th grade students
6 who begin the participation in academic
7 year 2007–2008; and

8 “(ii) 1 cohort of 8th grade students
9 who begin the participation in academic
10 year 2008–2009.

11 “(B) STUDENTS IN EACH COHORT.—Each
12 cohort of students shall consist of not more
13 than 10,000 8th grade students who qualify for
14 a free or reduced price meal under the Richard
15 B. Russell National School Lunch Act or the
16 Child Nutrition Act of 1966.

17 “(2) STUDENT DATA.—The State educational
18 agency shall ensure that student data from local
19 educational agencies serving students who partici-
20 pate in the demonstration project, as well as student
21 data from local educational agencies serving a com-
22 parable group of students who do not participate in
23 the demonstration project, are available for evalua-
24 tion of the demonstration project.

1 “(3) FEDERAL PELL GRANT COMMITMENT.—
2 Each student who participates in the demonstration
3 project receives a commitment from the Secretary to
4 receive a Federal Pell Grant during the first aca-
5 demic year that student is in attendance at an insti-
6 tution of higher education as an undergraduate, if
7 the student applies for Federal financial aid (via the
8 FAFSA) during the student’s senior year of sec-
9 ondary school and during succeeding years.

10 “(4) APPLICABILITY OF FEDERAL PELL GRANT
11 REQUIREMENTS.—The requirements of section 401
12 shall apply to Federal Pell Grants awarded pursuant
13 to this section, except that the amount of each par-
14 ticipating student’s Federal Pell Grant only shall be
15 calculated by deeming such student to have an ex-
16 pected family contribution equal to zero.

17 “(5) APPLICATION PROCESS.—The Secretary
18 shall establish an application process to select State
19 educational agencies to participate in the demonstra-
20 tion program and State educational agencies shall
21 establish an application process to select local edu-
22 cational agencies within the State to participate in
23 the demonstration project.

24 “(6) LOCAL EDUCATIONAL AGENCY PARTICIPA-
25 TION.—Subject to the 10,000 statewide student limi-

1 tation described in paragraph (1), a local edu-
2 cational agency serving students, not less than 50
3 percent of whom are eligible for a free or reduced
4 price meal under the Richard B. Russell National
5 School Lunch Act or the Child Nutritional Act of
6 1966, shall be eligible to participate in the dem-
7 onstration project.

8 “(c) STATE EDUCATIONAL AGENCY APPLICA-
9 TIONS.—

10 “(1) IN GENERAL.—Each State educational
11 agency desiring to participate in the demonstration
12 program under this section shall submit an applica-
13 tion to the Secretary at such time and in such man-
14 ner as the Secretary may require.

15 “(2) CONTENTS.—Each application shall in-
16 clude—

17 “(A) a description of the proposed targeted
18 information campaign for the demonstration
19 project and a copy of the plan described in sub-
20 section (f)(2);

21 “(B) a description of the student popu-
22 lation that will receive an early commitment to
23 receive a Federal Pell Grant under this section;

24 “(C) an assurance that the State edu-
25 cational agency will fully cooperate with the on-

1 going evaluation of the demonstration project;
2 and

3 “(D) such other information as the Sec-
4 retary may require.

5 “(d) SELECTION CONSIDERATIONS.—

6 “(1) SELECTION OF STATE EDUCATIONAL
7 AGENCIES.—In selecting State educational agencies
8 to participate in the demonstration program, the
9 Secretary shall consider—

10 “(A) the number and quality of State edu-
11 cational agency applications received;

12 “(B) the Department’s capacity to oversee
13 and monitor each State educational agency’s
14 participation in the demonstration program;

15 “(C) a State educational agency’s—

16 “(i) financial responsibility;

17 “(ii) administrative capability;

18 “(iii) commitment to focusing State
19 resources, in addition to any resources pro-
20 vided under part A of title I of the Ele-
21 mentary and Secondary Education Act of
22 1965, on students who receive assistance
23 under such part A;

24 “(iv) the ability and plans of a State
25 educational agency to run an effective and

1 thorough targeted information campaign
2 for students served by local educational
3 agencies eligible to participate in the dem-
4 onstration project; and

5 “(v) ensuring the participation in the
6 demonstration program of a diverse group
7 of students with respect to ethnicity and
8 gender.

9 “(2) LOCAL EDUCATIONAL AGENCY.—In select-
10 ing local educational agencies to participate in a
11 demonstration project under this section, the State
12 educational agency shall consider—

13 “(A) the number and quality of local edu-
14 cational agency applications received;

15 “(B) the State educational agency’s capac-
16 ity to oversee and monitor each local edu-
17 cational agency’s participation in the dem-
18 onstration project;

19 “(C) a local educational agency’s—

20 “(i) financial responsibility;

21 “(ii) administrative capability;

22 “(iii) commitment to focusing local re-
23 sources, in addition to any resources pro-
24 vided under part A of title I of the Ele-
25 mentary and Secondary Education Act of

1 1965, on students who receive assistance
2 under such part A;

3 “(iv) the ability and plans of a local
4 educational agency to run an effective and
5 thorough targeted information campaign
6 for students served by the local educational
7 agency; and

8 “(v) ensuring the participation in the
9 demonstration project of a diverse group of
10 students with respect to ethnicity and gen-
11 der.

12 “(e) EVALUATION.—

13 “(1) IN GENERAL.—From amounts appro-
14 priated under section (g) for a fiscal year, the Sec-
15 retary shall reserve not more than \$1,000,000 to
16 award a grant or contract to an organization outside
17 the Department for an independent evaluation of the
18 impact of the demonstration program assisted under
19 this section.

20 “(2) COMPETITIVE BASIS.—The grant or con-
21 tract shall be awarded on a competitive basis.

22 “(3) MATTERS EVALUATED.—The evaluation
23 described in this subsection shall—

1 “(A) determine the number of individuals
2 who were encouraged by the demonstration pro-
3 gram to pursue higher education;

4 “(B) identify the barriers to the effective-
5 ness of the demonstration program;

6 “(C) assess the cost-effectiveness of the
7 demonstration program in improving access to
8 higher education;

9 “(D) identify the reasons why participants
10 in the demonstration program either received or
11 did not receive a Federal Pell Grant;

12 “(E) identify intermediate outcomes (rel-
13 ative to postsecondary education attendance),
14 such as whether participants—

15 “(i) were more likely to take a college-
16 prep curriculum while in secondary school;

17 “(ii) submitted any college applica-
18 tions; and

19 “(iii) took the PSAT, SAT, or ACT;

20 “(F) identify the number of individuals
21 participating in the demonstration program who
22 pursued an associate’s degree or a bachelor’s
23 degree, as well as other forms of postsecondary
24 education;

1 “(G) compare the findings of the dem-
2 onstration program with respect to participants
3 to comparison groups (of similar size and demo-
4 graphics) that did not participate in the dem-
5 onstration program; and

6 “(H) identify the impact on the parents of
7 students eligible to participate in the dem-
8 onstration program.

9 “(4) DISSEMINATION.—The findings of the
10 evaluation shall be widely disseminated to the public
11 by the organization conducting the evaluation as well
12 as by the Secretary.

13 “(f) TARGETED INFORMATION CAMPAIGN.—

14 “(1) IN GENERAL.—Each State educational
15 agency receiving a grant under this section shall, in
16 cooperation with the participating local educational
17 agencies within the State and the Secretary, develop
18 a targeted information campaign for the demonstra-
19 tion program assisted under this section.

20 “(2) PLAN.—Each State educational agency re-
21 ceiving a grant under this section shall include in
22 the application submitted under subsection (c) a
23 written plan for their proposed targeted information
24 campaign. The plan shall include the following:

1 “(A) OUTREACH.—Outreach to students
2 and their families, at a minimum, at the begin-
3 ning and end of each academic year of the dem-
4 onstration project.

5 “(B) DISTRIBUTION.—How the State edu-
6 cational agency plans to provide the outreach
7 described in subparagraph (A) and to provide
8 the information described in subparagraph (C).

9 “(C) INFORMATION.—The annual provi-
10 sion by the State educational agency to all stu-
11 dents and families participating in the dem-
12 onstration program of information regarding—

13 “(i) the estimated statewide average
14 higher education institution cost data for
15 each academic year, which cost data shall
16 be disaggregated by—

17 “(I) type of institution, includ-
18 ing—

19 “(aa) 2-year public colleges;

20 “(bb) 4-year public colleges;

21 and

22 “(cc) 4-year private colleges;

23 “(II) by component, including—

24 “(aa) tuition and fees; and

25 “(bb) room and board;

1 “(ii) Federal Pell Grants, including—

2 “(I) the maximum Federal Pell
3 Grant for each academic year;

4 “(II) when and how to apply for
5 a Federal Pell Grant; and

6 “(III) what the application pro-
7 cess for a Federal Pell Grant requires;

8 “(iii) State-specific college savings
9 programs;

10 “(iv) State-based merit aid;

11 “(v) State-based financial aid; and

12 “(vi) Federal financial aid available to
13 students, including eligibility criteria for
14 the Federal financial aid and an expla-
15 nation of the Federal financial aid pro-
16 grams.

17 “(3) COHORTS.—The information described in
18 paragraph (2)(C) shall be provided to 2 cohorts of
19 students annually for the duration of the students’
20 participation in the demonstration program. The 2
21 cohorts shall consist of—

22 “(A) 1 cohort of 8th grade students who
23 begin the participation in academic year 2007–
24 2008; and

1 “(B) 1 cohort of 8th grade students who
2 begin the participation in academic year 2008–
3 2009.

4 “(4) RESERVATION.—Each State educational
5 agency receiving a grant under this section shall re-
6 serve \$200,000 of the grant funds received each fis-
7 cal year for each of the 2 cohorts of students (for
8 a total reservation of \$400,000 each fiscal year)
9 served by the State to carry out their targeted infor-
10 mation campaign described in this subsection.

11 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
12 are authorized to be appropriated to carry out this sec-
13 tion—

14 “(1) \$1,300,000 for fiscal year 2008, of
15 which—

16 “(A) \$500,000 shall be available to carry
17 out subsection (e); and

18 “(B) \$800,000 shall be available to carry
19 out subsection (f)(2)(C);

20 “(2) \$1,600,000 for fiscal year 2009, of which
21 \$1,600,000 shall be available to carry out subsection
22 (f)(2)(C);

23 “(3) \$1,600,000 for fiscal year 2010, of which
24 \$1,600,000 shall be available to carry out subsection
25 (f)(2)(C);

1 “(4) \$2,100,000 for fiscal year 2011, of
2 which—

3 “(A) \$500,000 shall be available to carry
4 out subsection (e); and

5 “(B) \$1,600,000 shall be available to carry
6 out subsection (f)(2)(C);

7 “(5) \$1,600,000 for fiscal year 2012, of which
8 \$1,600,000 shall be available to carry out subsection
9 (f)(2)(C);

10 “(6) \$14,600,000 for fiscal year 2013, of
11 which—

12 “(A) \$800,000 shall be available to carry
13 out subsection (f)(2)(C); and

14 “(B) \$13,800,000 shall be available for
15 Federal Pell Grants provided in accordance
16 with this section; and

17 “(7) \$13,800,000 for fiscal year 2014, of which
18 \$13,800,000 shall be available for Federal Pell
19 Grants provided in accordance with this section.”.

1 **TITLE III—INCREASE IN FED-**
2 **ERAL PELL GRANT MAXIMUM**
3 **AWARD**

4 **SEC. 301. INCREASE OF MAXIMUM FEDERAL PELL GRANT**
5 **AMOUNT.**

6 Section 401(b)(2)(A) of the Higher Education Act of
7 1965 (20 U.S.C. 1070a(b)(2)(A)) is amended by striking
8 clauses (i) through (v) and inserting the following:

9 “(i) \$5,100 for academic year 2007–2008;

10 “(ii) \$5,400 for academic year 2008–2009;

11 “(iii) \$5,700 for academic year 2009–2010;

12 “(iv) \$6,000 for academic year 2010–2011; and

13 “(v) \$6,300 for academic year 2011–2012.”.

○