

116TH CONGRESS
1ST SESSION

H. R. 5363

IN THE SENATE OF THE UNITED STATES

DECEMBER 10, 2019

Received

AN ACT

To reauthorize mandatory funding programs for historically Black colleges and universities and other minority-serving institutions, 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,*

1 **SECTION 1. SHORT TITLE; REFERENCES.**

2 This Act may be cited as the “Fostering Under-
3 graduate Talent by Unlocking Resources for Education
4 Act” or the “FUTURE Act”.

5 **SEC. 2. CONTINUED SUPPORT FOR MINORITY-SERVING IN-**
6 **STITUTIONS.**

7 Section 371(b)(1)(A) of the Higher Education Act of
8 1965 (20 U.S.C. 1067q(b)(1)(A)) is amended by striking
9 “for each of the fiscal years 2008 through 2019.” and all
10 that follows through the end of the subparagraph and in-
11 serting “for fiscal year 2020 and each fiscal year there-
12 after.”.

13 **SEC. 3. SECURE DISCLOSURE OF TAX-RETURN INFORMA-**
14 **TION TO CARRY OUT THE HIGHER EDU-**
15 **CATION ACT OF 1965.**

16 (a) IN GENERAL.—Paragraph (13) of section 6103(l)
17 of the Internal Revenue Code of 1986 is amended to read
18 as follows:

19 “(13) DISCLOSURE OF RETURN INFORMATION
20 TO CARRY OUT THE HIGHER EDUCATION ACT OF
21 1965.—

22 “(A) APPLICATIONS AND RECERTIFI-
23 CATIONS FOR INCOME-CONTINGENT OR INCOME-
24 BASED REPAYMENT.—The Secretary shall, upon
25 written request from the Secretary of Edu-
26 cation, disclose to any authorized person, only

1 for the purpose of (and to the extent necessary
2 in) determining eligibility for, or repayment ob-
3 ligations under, income-contingent or income-
4 based repayment plans under title IV of the
5 Higher Education Act of 1965 with respect to
6 loans under part D of such title, the following
7 return information from returns (for any tax-
8 able year specified by the Secretary of Edu-
9 cation as relevant to such purpose) of an indi-
10 vidual certified by the Secretary of Education
11 as having provided approval under section
12 494(a)(2) of such Act (as in effect on the date
13 of enactment of this paragraph) for such disclo-
14 sure:

15 “(i) Taxpayer identity information.

16 “(ii) Filing status.

17 “(iii) Adjusted gross income.

18 “(iv) Total number of exemptions
19 claimed, if applicable.

20 “(v) Number of dependents taken into
21 account in determining the credit allowed
22 under section 24.

23 “(vi) If applicable, the fact that there
24 was no return filed.

1 “(B) DISCHARGE OF LOAN BASED ON
2 TOTAL AND PERMANENT DISABILITY.—The
3 Secretary shall, upon written request from the
4 Secretary of Education, disclose to any author-
5 ized person, only for the purpose of (and to the
6 extent necessary in) monitoring and reinstating
7 loans under title IV of the Higher Education
8 Act of 1965 that were discharged based on a
9 total and permanent disability (within the
10 meaning of section 437(a) of such Act), the fol-
11 lowing return information from returns (for any
12 taxable year specified by the Secretary of Edu-
13 cation as relevant to such purpose) of an indi-
14 vidual certified by the Secretary of Education
15 as having provided approval under section
16 494(a)(3) of such Act (as in effect on the date
17 of enactment of this paragraph) for such disclo-
18 sure:

19 “(i) The return information described
20 in clauses (i), (ii), and (vi) of subpara-
21 graph (A).

22 “(ii) The return information described
23 in subparagraph (C)(ii).

24 “(C) FEDERAL STUDENT FINANCIAL
25 AID.—The Secretary shall, upon written request

1 from the Secretary of Education, disclose to
2 any authorized person, only for the purpose of
3 (and to the extent necessary in) determining eli-
4 gibility for, and amount of, Federal student fi-
5 nancial aid under a program authorized under
6 subpart 1 of part A, part C, or part D of title
7 IV of the Higher Education Act of 1965 the
8 following return information from returns (for
9 the taxable year used for purposes of section
10 480(a) of such Act) of an individual certified by
11 the Secretary of Education as having provided
12 approval under section 494(a)(1) of such Act
13 (as in effect on the date of enactment of this
14 paragraph) for such disclosure:

15 “(i) Return information described in
16 clauses (i) through (vi) of subparagraph
17 (A).

18 “(ii) The amount of any net earnings
19 from self-employment (as defined in sec-
20 tion 1402(a)), wages (as defined in section
21 3121(a) or 3401(a)), and taxable income
22 from a farming business (as defined in sec-
23 tion 236A(e)(4)).

24 “(iii) Amount of total income tax.

1 “(iv) Amount of any credit allowed
2 under section 25A.

3 “(v) Amount of individual retirement
4 account distributions not included in ad-
5 justed gross income.

6 “(vi) Amount of individual retirement
7 account contributions and payments to
8 self-employed SEP, Keogh, and other
9 qualified plans which were deducted from
10 income.

11 “(vii) Amount of tax-exempt interest
12 received.

13 “(viii) Amounts from retirement pen-
14 sions and annuities not included in ad-
15 justed gross income.

16 “(ix) If applicable, the fact that any
17 of the following schedules (or equivalent
18 successor schedules) were filed with the re-
19 turn:

20 “(I) Schedule A.

21 “(II) Schedule B.

22 “(III) Schedule D.

23 “(IV) Schedule E.

24 “(V) Schedule F.

25 “(VI) Schedule H.

1 “(x) If applicable, the amount re-
2 ported on Schedule C (or an equivalent
3 successor schedule) as net profit or loss.

4 “(D) ADDITIONAL USES OF DISCLOSED IN-
5 FORMATION.—

6 “(i) IN GENERAL.—In addition to the
7 purposes for which information is disclosed
8 under subparagraphs (A), (B), and (C), re-
9 turn information so disclosed may be used
10 by an authorized person, with respect to
11 income-contingent or income-based repay-
12 ment plans, awards of Federal student fi-
13 nancial aid under a program authorized
14 under subpart 1 of part A, part C, or part
15 D of title IV of the Higher Education Act
16 of 1965, and discharges of loans based on
17 a total and permanent disability (within
18 the meaning of section 437(a) of such
19 Act), for purposes of—

20 “(I) reducing the net cost of im-
21 proper payments under such plans, re-
22 lating to such awards, or relating to
23 such discharges,

24 “(II) oversight activities by the
25 Office of Inspector General of the De-

1 partment of Education as authorized
2 by the Inspector General Act of 1978,
3 and

4 “(III) conducting analyses and
5 forecasts for estimating costs related
6 to such plans, awards, or discharges.

7 “(ii) LIMITATION.—The purposes de-
8 scribed in clause (i) shall not include the
9 conduct of criminal investigations or pros-
10 ecutions.

11 “(iii) REDISCLOSURE TO INSTITU-
12 TIONS OF HIGHER EDUCATION, STATE
13 HIGHER EDUCATION AGENCIES, AND DES-
14 IGNATED SCHOLARSHIP ORGANIZATIONS.—

15 Authorized persons may redisclose return
16 information received under subparagraph
17 (C), solely for the use in the application,
18 award, and administration of financial aid
19 awarded by the Federal government or
20 awarded by a person described in sub-
21 clause (I), (II), or (III), to the following
22 persons:

23 “(I) An institution of higher edu-
24 cation participating in a program
25 under subpart 1 of part A, part C, or

1 part D of title IV of the Higher Edu-
2 cation Act of 1965.

3 “(II) A State higher education
4 agency.

5 “(III) A scholarship organization
6 which is an entity designated (prior to
7 the date of the enactment of this
8 clause) by the Secretary of Education
9 under section 483(a)(3)(E) of such
10 Act.

11 This clause shall only apply to the extent
12 that the taxpayer with respect to whom the
13 return information relates provides written
14 consent for such redisclosure to the Sec-
15 retary of Education.

16 “(E) AUTHORIZED PERSON.—For pur-
17 poses of this paragraph, the term ‘authorized
18 person’ means, with respect to information dis-
19 closed under subparagraph (A), (B), or (C),
20 any person who—

21 “(i) is an officer, employee, or con-
22 tractor, of the Department of Education,
23 and

24 “(ii) is specifically authorized and des-
25 ignated by the Secretary of Education for

1 purposes of such subparagraph (applied
2 separately with respect to each such sub-
3 paragraph).

4 “(F) JOINT RETURNS.—In the case of a
5 joint return, any disclosure authorized under
6 subparagraph (A), (B), or (C) with respect to
7 an individual shall be treated for purposes of
8 this paragraph as applying with respect to the
9 taxpayer.”.

10 (b) CONFIDENTIALITY OF RETURN INFORMATION.—
11 Section 6103(a)(3) of such Code is amended by inserting
12 “, (13)” after “(12)”.

13 (c) CONFORMING AMENDMENTS.—

14 (1) Section 6103(p)(3)(A) of such Code is
15 amended by striking “(13)”.

16 (2) Section 6103(p)(4) of such Code is amend-
17 ed by inserting “, (13)” after “(l)(10)” each place
18 it appears.

19 (d) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to disclosures after the date of the
21 enactment of this Act.

22 (e) REQUIREMENT TO DESIGNATE THE INSPECTOR
23 GENERAL OF THE DEPARTMENT OF EDUCATION AS AN
24 AUTHORIZED PERSON.—The Secretary of Education shall
25 authorize and designate the Inspector General of the De-

1 partment of Education as an authorized person under sub-
2 paragraph (E)(ii) of section 6103(l)(13) of the Internal
3 Revenue Code of 1986 for purposes of subparagraphs (A),
4 (B), and (C) of such section.

5 (f) REPORT TO TREASURY.—The Secretary of Edu-
6 cation shall annually submit a written report to the Sec-
7 retary of the Treasury—

8 (1) regarding redisclosures of return informa-
9 tion under subparagraph (D)(iii) of section
10 6103(l)(13) of the Internal Revenue Code of 1986,
11 including the number of such redisclosures; and

12 (2) regarding any unauthorized use, access, or
13 disclosure of return information disclosed under such
14 section.

15 (g) REPORT TO CONGRESS.—The Secretary of the
16 Treasury (or the Secretary’s designee) shall annually sub-
17 mit a written report to Congress regarding disclosures
18 under section 6103(l)(13) of the Internal Revenue Code
19 of 1986, including information provided to the Secretary
20 under subsection (f).

21 **SEC. 4. AUTOMATIC RECERTIFICATION OF INCOME.**

22 (a) INCOME-CONTINGENT REPAYMENT.—

23 (1) IN GENERAL.—Section 455(e) of the Higher
24 Education Act of 1965 (20 U.S.C. 1087e(e)) is
25 amended by adding at the end the following:

1 “(8) AUTOMATIC RECERTIFICATION.—

2 “(A) IN GENERAL.—The Secretary shall
3 establish and implement, with respect to any
4 borrower described in subparagraph (B), proce-
5 dures to—

6 “(i) use return information disclosed
7 under section 6103(l)(13) of the Internal
8 Revenue Code of 1986, pursuant to ap-
9 proval provided under section 494, to de-
10 termine the repayment obligation of the
11 borrower without further action by the bor-
12 rower;

13 “(ii) allow the borrower (or the spouse
14 of the borrower), at any time, to opt out
15 of disclosure under such section
16 6103(l)(13) and instead provide such infor-
17 mation as the Secretary may require to de-
18 termine the repayment obligation of the
19 borrower (or withdraw from the repayment
20 plan under this subsection); and

21 “(iii) provide the borrower with an op-
22 portunity to update the return information
23 so disclosed before the determination of the
24 repayment obligation of the borrower.

1 “(B) APPLICABILITY.—Subparagraph (A)
2 shall apply to each borrower of a loan made
3 under this part who, on or after the date on
4 which the Secretary establishes procedures
5 under such subparagraph—

6 “(i) selects, or is required to repay
7 such loan pursuant to, an income-conti-
8 gent repayment plan; or

9 “(ii) recertifies income or family size
10 under such plan.”.

11 (2) CONFORMING AMENDMENT.—Section
12 455(e)(6) of the Higher Education Act of 1965 (20
13 U.S.C. 1087e(e)(6)) is amended—

14 (A) by striking “including notification of
15 such borrower” and all that follows through
16 “that if a borrower” and inserting “including
17 notification of such borrower, that if a bor-
18 rower”; and

19 (B) by striking “as determined using the
20 information described in subparagraph (A), or
21 the alternative documentation described in
22 paragraph (3)”.

23 (b) INCOME-BASED REPAYMENT.—Section 493C(e)
24 of the Higher Education Act of 1965 (20 U.S.C. 1098e(e))
25 is amended—

1 (1) by striking “The Secretary shall establish”
2 and inserting the following:

3 “(1) IN GENERAL.—The Secretary shall estab-
4 lish”; and

5 (2) by striking “The Secretary shall consider”
6 and inserting the following:

7 “(2) PROCEDURES FOR ELIGIBILITY.—The Sec-
8 retary shall—

9 “(A) consider”;

10 (3) by striking “428C(b)(1)(E).” and inserting
11 the following: “428C(b)(1)(E); and

12 “(B) carry out, with respect to borrowers
13 of any loan made under part D (other than an
14 excepted PLUS loan or excepted consolidation
15 loan), procedures for income-based repayment
16 plans that are equivalent to the procedures car-
17 ried out under section 455(e)(8) with respect to
18 income-contingent repayment plans.”.

19 **SEC. 5. AUTOMATIC INCOME MONITORING PROCEDURES**
20 **AFTER A TOTAL AND PERMANENT DIS-**
21 **ABILITY DISCHARGE.**

22 Section 437(a) of the Higher Education Act of 1965
23 (20 U.S.C. 1087(a)) is amended by adding at the end the
24 following:

25 “(3) AUTOMATIC INCOME MONITORING.—

1 “(A) IN GENERAL.—The Secretary shall
2 establish and implement, with respect to any
3 borrower described in subparagraph (B), proce-
4 dures to—

5 “(i) use return information disclosed
6 under section 6103(l)(13) of the Internal
7 Revenue Code of 1986, pursuant to ap-
8 proval provided under section 494, to de-
9 termine the borrower’s continued eligibility
10 for the loan discharge described in sub-
11 subparagraph (B);

12 “(ii) allow the borrower, at any time,
13 to opt out of disclosure under such section
14 6103(l)(13) and instead provide such infor-
15 mation as the Secretary may require to de-
16 termine the borrower’s continued eligibility
17 for such loan discharge; and

18 “(iii) provide the borrower with an op-
19 portunity to update the return information
20 so disclosed before determination of such
21 borrower’s continued eligibility for such
22 loan discharge.

23 “(B) APPLICABILITY.—Subparagraph (A)
24 shall apply—

1 “(i) to each borrower of a loan that is
2 discharged due to the total and permanent
3 disability (within the meaning of this sub-
4 section) of the borrower; and

5 “(ii) during the period beginning on
6 the date on which such loan is so dis-
7 charged and ending on the first day on
8 which such loan may no longer be rein-
9 stated.”.

10 **SEC. 6. PROCEDURE AND REQUIREMENTS FOR REQUEST-**
11 **ING TAX RETURN INFORMATION FROM THE**
12 **INTERNAL REVENUE SERVICE.**

13 (a) IN GENERAL.—Part G of title IV of the Higher
14 Education Act of 1965 (20 U.S.C. 1088 et seq.) is amend-
15 ed by adding at the end the following:

16 **“SEC. 494. PROCEDURE AND REQUIREMENTS FOR RE-**
17 **QUESTING TAX RETURN INFORMATION FROM**
18 **THE INTERNAL REVENUE SERVICE.**

19 “(a) NOTIFICATION AND APPROVAL REQUIRE-
20 MENTS.—

21 “(1) FEDERAL STUDENT FINANCIAL AID.—In
22 the case of any written or electronic application
23 under section 483 by an individual for Federal stu-
24 dent financial aid under a program authorized under
25 subpart 1 of part A, part C, or part D, the Sec-

1 retary, with respect to such individual and any par-
2 ent or spouse whose financial information is required
3 to be provided on such application, shall—

4 “(A) notify such individuals that—

5 “(i) if such individuals provide ap-
6 proval under subparagraph (B), the Sec-
7 retary will have the authority to request
8 that the Secretary of the Treasury disclose
9 return information of such individuals to
10 authorized persons (as defined in section
11 6103(l)(13) of the Internal Revenue Code
12 of 1986) for the relevant purposes de-
13 scribed in such section; and

14 “(ii) the failure to provide such ap-
15 proval for such disclosure will result in the
16 Secretary being unable to calculate eligi-
17 bility for such aid to such individual; and

18 “(B) require, as a condition of eligibility
19 for such aid, that such individuals affirmatively
20 approve the disclosure described in subpara-
21 graph (A)(i).

22 “(2) INCOME-CONTINGENT AND INCOME-BASED
23 REPAYMENT.—

24 “(A) NEW APPLICANTS.—In the case of
25 any written or electronic application by an indi-

1 vidual for an income-contingent or income-
2 based repayment plan for a loan under part D,
3 the Secretary, with respect to such individual
4 and any spouse of such individual, shall—

5 “(i) provide to such individuals the
6 notification described in paragraph
7 (1)(A)(i);

8 “(ii) require, as a condition of eligi-
9 bility for such repayment plan, that such
10 individuals—

11 “(I) affirmatively approve the
12 disclosure described in paragraph
13 (1)(A)(i) and agree that such approval
14 shall serve as an ongoing approval of
15 such disclosure until the date on
16 which the individual elects to opt out
17 of such disclosure under section
18 455(e)(8) or the equivalent procedures
19 established under section
20 493C(c)(2)(B), as applicable; or

21 “(II) provide such information as
22 the Secretary may require to confirm
23 the eligibility of such individual for
24 such repayment plan.

1 “(B) RECERTIFICATIONS.—With respect to
2 the first written or electronic recertification
3 (after the date of the enactment of the FU-
4 TURE Act) of an individual’s income or family
5 size for purposes of an income-contingent or in-
6 come-based repayment plan (entered into before
7 the date of the enactment of the FUTURE
8 Act) for a loan under part D, the Secretary,
9 with respect to such individual and any spouse
10 of such individual, shall meet the requirements
11 of clauses (i) and (ii) of subparagraph (A) with
12 respect to such recertification.

13 “(3) TOTAL AND PERMANENT DISABILITY.—In
14 the case of any written or electronic application by
15 an individual for a discharge of a loan under this
16 title based on total and permanent disability (within
17 the meaning of section 437(a)) that requires income
18 monitoring, the Secretary shall—

19 “(A) provide to such individual the notifi-
20 cation described in paragraph (1)(A)(i); and

21 “(B) require, as a condition of eligibility
22 for such discharge, that such individual—

23 “(i) affirmatively approve the disclo-
24 sure described in paragraph (1)(A)(i) and
25 agree that such approval shall serve as an

1 ongoing approval of such disclosure until
2 the earlier of—

3 “(I) the date on which the indi-
4 vidual elects to opt out of such disclo-
5 sure under section 437(a)(3)(A); or

6 “(II) the first day on which such
7 loan may no longer be reinstated; or

8 “(ii) provide such information as the
9 Secretary may require to confirm the eligi-
10 bility of such individual for such discharge.

11 “(b) LIMIT ON AUTHORITY.—The Secretary shall
12 only have authority to request that the Secretary of the
13 Treasury disclose return information under section
14 6103(l)(13) of the Internal Revenue Code of 1986 with
15 respect to an individual if the Secretary of Education has
16 obtained approval under subsection (a) for such disclo-
17 sure.”.

18 (b) CONFORMING AMENDMENT.—Section 484(q) of
19 the Higher Education Act of 1965 (20 U.S.C. 1091(q))
20 is repealed.

21 **SEC. 7. INCREASED FUNDING FOR FEDERAL PELL GRANTS.**

22 Section 401(b)(7)(A)(iv) of the Higher Education Act
23 of 1965 (20 U.S.C. 1070a(b)(7)(A)(iv)) is amended—

1 (1) in subclause (X), by striking
2 “\$1,430,000,000” and inserting “\$1,455,000,000”;
3 and

4 (2) in subclause (XI), by striking
5 “\$1,145,000,000” and inserting “\$1,170,000,000”.

6 **SEC. 8. REPORTS ON IMPLEMENTATION.**

7 (a) IN GENERAL.—Not later than each specified
8 date, the Secretary of Education and the Secretary of the
9 Treasury shall issue joint reports to the Committees on
10 Health, Education, Labor, and Pensions and Finance of
11 the Senate and the Committees on Education and Labor
12 and Ways and Means of the House of Representatives re-
13 garding the amendments made by this Act. Each such re-
14 port shall include, as applicable—

15 (1) an update on the status of implementation
16 of the amendments made by this Act;

17 (2) an evaluation of how such implementation
18 had affected the processing of applications for Fed-
19 eral student financial aid, applications for income-
20 based repayment and income-contingent repayment,
21 and applications for discharge of loans under title IV
22 of the Higher Education Act of 1965 (20 U.S.C.
23 1070 et seq.) based on total and permanent dis-
24 ability; and

1 (3) implementation issues and suggestions for
2 potential improvements.

3 (b) SPECIFIED DATE.—For purposes of subsection
4 (a), the term “specified date” means—

5 (1) the date that is 90 days after the date of
6 the enactment of this Act;

7 (2) the date that is 120 days after the first day
8 that the disclosure process established under section
9 6103(l)(13) of the Internal Revenue Code of 1986,
10 as amended by section 3(a) of this Act, is oper-
11 ational and accessible to officers, employees, and
12 contractors of the Department of Education (as spe-
13 cifically authorized and designated by the Secretary
14 of Education); and

15 (3) the date that is 1 year after the report date
16 described in paragraph (2).

Passed the House of Representatives December 10,
2019.

Attest: CHERYL L. JOHNSON,
Clerk.