

AMENDMENT NO. \_\_\_\_\_ Calendar No. \_\_\_\_\_

Purpose: In the nature of a substitute.

**IN THE SENATE OF THE UNITED STATES—116th Cong., 1st Sess.**

**H. R. 2486**

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

Referred to the Committee on \_\_\_\_\_ and  
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT IN THE NATURE OF A SUBSTITUTE intended  
to be proposed by Mr. ALEXANDER

Viz:

1 Strike all after the enacting clause and insert the fol-  
2 lowing:

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

4 (a) **SHORT TITLE.**—This Act may be cited as the  
5 “Fostering Undergraduate Talent by Unlocking Resources  
6 for Education Act” or the “**FUTURE Act**”.

7 (b) **REFERENCES.**—Except as otherwise expressly  
8 provided, whenever in this Act an amendment or repeal  
9 is expressed in terms of an amendment to, or repeal of,  
10 a section or other provision, the reference shall be consid-

1 ered to be made to a section or other provision of the  
2 Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

3 **SEC. 2. CONTINUED SUPPORT FOR MINORITY-SERVING IN-**  
4 **STITUTIONS.**

5 Section 371(b)(1)(A) (20 U.S.C. 1067q(b)(1)(A)) is  
6 amended by striking “for each of the fiscal years 2008  
7 through 2019.” and all that follows through the end of  
8 the subparagraph and inserting “for fiscal year 2020 and  
9 each fiscal year thereafter.”.

10 **SEC. 3. SECURE DISCLOSURE OF TAX-RETURN INFORMA-**  
11 **TION TO CARRY OUT THE HIGHER EDU-**  
12 **CATION ACT OF 1965.**

13 (a) AMENDMENTS TO THE INTERNAL REVENUE  
14 CODE OF 1986.—

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

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

21 “(A) INCOME-CONTINGENT OR INCOME-  
22 BASED REPAYMENT AND TOTAL AND PERMA-  
23 NENT DISABILITY DISCHARGE.—The Secretary  
24 shall, upon written request from the Secretary  
25 of Education, disclose to officers, employees,

1 and contractors of the Department of Edu-  
2 cation, as specifically authorized and designated  
3 by the Secretary of Education, only for the pur-  
4 pose of (and to the extent necessary in) estab-  
5 lishing enrollment, renewing enrollment, admin-  
6 istering, and conducting analyses and forecasts  
7 for estimating costs related to income-conti-  
8 gent or income-based repayment programs, and  
9 the discharge of loans based on a total and per-  
10 manent disability (within the meaning of sec-  
11 tion 437(a) of the Higher Education Act of  
12 1965), under title IV of the Higher Education  
13 Act of 1965, the following return information  
14 (as defined in subsection (b)(2)) with respect to  
15 taxpayers identified by the Secretary of Edu-  
16 cation as participating in the loan programs  
17 under title IV of such Act, for taxable years  
18 specified by such Secretary:

19 “(i) Taxpayer identity information  
20 with respect to such taxpayer.

21 “(ii) The filing status of such tax-  
22 payer.

23 “(iii) The adjusted gross income of  
24 such taxpayer.

1                   “(iv) Total number of exemptions  
2                   claimed, or total number of individuals and  
3                   dependents claimed, as applicable, on the  
4                   return.

5                   “(v) Number of children with respect  
6                   to which tax credits under section 24 are  
7                   claimed on the return.

8                   “(B) FEDERAL STUDENT FINANCIAL  
9                   AID.—The Secretary shall, upon written request  
10                  from the Secretary of Education, disclose to of-  
11                  ficers, employees, and contractors of the De-  
12                  partment of Education, as specifically author-  
13                  ized and designated by the Secretary of Edu-  
14                  cation, only for the purpose of (and to the ex-  
15                  tent necessary in) determining eligibility for,  
16                  and amount of, Federal student financial aid  
17                  under programs authorized by parts A, C, and  
18                  D of title IV of the Higher Education Act of  
19                  1965 (as in effect on the date of the enactment  
20                  of the Fostering Undergraduate Talent by  
21                  Unlocking Resources for Education Act) and  
22                  conducting analyses and forecasts for esti-  
23                  mating costs related to such programs, the fol-  
24                  lowing return information (as defined in sub-  
25                  section (b)(2)) with respect to taxpayers identi-

1           fied by the Secretary of Education as applicants  
2           for Federal student financial aid under such  
3           parts of title IV of such Act, for taxable years  
4           specified by such Secretary:

5                   “(i) Taxpayer identity information  
6                   with respect to such taxpayer.

7                   “(ii) The filing status of such tax-  
8                   payer.

9                   “(iii) The adjusted gross income of  
10                  such taxpayer.

11                  “(iv) The amount of any net earnings  
12                  from self-employment (as defined in sec-  
13                  tion 1402), wages (as defined in section  
14                  3121(a) or 3401(a)), taxable income from  
15                  a farming business (as defined in section  
16                  236A(e)(4)), and investment income for  
17                  the period reported on the return.

18                  “(v) The total income tax of such tax-  
19                  payer.

20                  “(vi) Total number of exemptions  
21                  claimed, or total number of individuals and  
22                  dependents claimed, as applicable, on the  
23                  return.

1           “(vii) Number of children with respect  
2           to which tax credits under section 24 are  
3           claimed on the return.

4           “(viii) Amount of any credit claimed  
5           under section 25A for the taxable year.

6           “(ix) Amount of individual retirement  
7           account distributions not included in ad-  
8           justed gross income for the taxable year.

9           “(x) Amount of individual retirement  
10          account contributions and payments to  
11          self-employed SEP, Keogh, and other  
12          qualified plans which were deducted from  
13          income for the taxable year.

14          “(xi) The amount of tax-exempt inter-  
15          est.

16          “(xii) Amounts from retirement pen-  
17          sions and annuities not included in ad-  
18          justed gross income for the taxable year.

19          “(xiii) If applicable, the fact that any  
20          of the following schedules (or equivalent  
21          successor schedules) were filed with the re-  
22          turn:

23                       “(I) Schedule A.

24                       “(II) Schedule B.

25                       “(III) Schedule D.

1 “(IV) Schedule E.

2 “(V) Schedule F.

3 “(VI) Schedule H.

4 “(xiv) If applicable, the fact that  
5 Schedule C (or an equivalent successor  
6 schedule) was filed with the return showing  
7 a gain or loss greater than \$10,000.

8 “(xv) If applicable, the fact that there  
9 is no return filed for such taxpayer for the  
10 applicable year.

11 “(C) RESTRICTION ON USE OF DISCLOSED  
12 INFORMATION.—

13 “(i) IN GENERAL.—Return informa-  
14 tion disclosed under subparagraphs (A)  
15 and (B) may be used by officers, employ-  
16 ees, and contractors of the Department of  
17 Education, as specifically authorized and  
18 designated by the Secretary of Education,  
19 only for the purposes and to the extent  
20 necessary described in such subparagraphs  
21 and for mitigating risks (as defined in  
22 clause (ii)) relating to the programs de-  
23 scribed in such subparagraphs.

24 “(ii) MITIGATING RISKS.—For pur-  
25 poses of this subparagraph, the term ‘miti-

1           gating risks’ means, with respect to the  
2           programs described in subparagraphs (A)  
3           and (B),

4                   “(I) oversight activities by the  
5                   Office of Inspector General of the De-  
6                   partment of Education as authorized  
7                   by the Inspector General Act of 1978,  
8                   as amended, and

9                   “(II) reducing the net cost of im-  
10                  proper payments to Federal financial  
11                  aid recipients.

12           Such term does not include the conduct of  
13           criminal investigations or prosecutions.

14                   “(iii) REDISCLOSURE TO INSTITU-  
15                   TIONS OF HIGHER EDUCATION, STATE  
16                   HIGHER EDUCATION AGENCIES, AND DES-  
17                   IGNATED SCHOLARSHIP ORGANIZATIONS.—

18           The Secretary of Education, and officers,  
19           employees, and contractors of the Depart-  
20           ment of Education, may disclose return in-  
21           formation received under subparagraph  
22           (B), solely for the use in the application,  
23           award, and administration of student fi-  
24           nancial aid or aid awarded by such entities

1 as the Secretary of Education may des-  
2 ignate, to the following persons:

3 “(I) An institution of higher edu-  
4 cation with which the Secretary of  
5 Education has an agreement under  
6 subpart 1 of part A, part C, or part  
7 D of title IV of the Higher Education  
8 Act of 1965.

9 “(II) A State higher education  
10 agency.

11 “(III) A scholarship organization  
12 which is designated by the Secretary  
13 of Education as of the date of the en-  
14 actment of the Fostering Under-  
15 graduate Talent by Unlocking Re-  
16 sources for Education Act as an orga-  
17 nization eligible to receive the infor-  
18 mation provided under this clause.

19 The preceding sentence shall only apply to  
20 the extent that the taxpayer with respect  
21 to whom the return information relates  
22 provides consent for such disclosure to the  
23 Secretary of Education as part of the ap-  
24 plication for Federal student financial aid

1 under title IV of the Higher Education Act  
2 of 1965.

3 “(D) REQUIREMENT OF NOTIFICATION OF  
4 REQUEST FOR TAX RETURN INFORMATION.—  
5 Subparagraphs (A) and (B) shall apply to any  
6 disclosure of return information with respect to  
7 a taxpayer only if the Secretary of Education  
8 has provided to such taxpayer the notification  
9 required by section 494 of the Higher Edu-  
10 cation Act of 1965 prior to such disclosure.”.

11 (2) CONFIDENTIALITY OF RETURN INFORMA-  
12 TION.—Section 6103(a)(3) of such Code is amended  
13 by inserting “, (13)(A), (13)(B)” after “(12)”.

14 (3) CONFORMING AMENDMENTS.—Section  
15 6103(p)(4) of such Code is amended—

16 (A) by inserting “(A), (13)(B)” after  
17 “(13)” each place it occurs, and

18 (B) by inserting “, (13)(A), (13)(B)” after  
19 “(l)(10)” each place it occurs.

20 (b) EFFECTIVE DATE.—The amendments made by  
21 this section shall apply to disclosures made under section  
22 6103(l)(13) of the Internal Revenue Code of 1986 (as  
23 amended by this section) after the date of the enactment  
24 of this Act.

1 **SEC. 4. NOTIFICATION OF REQUEST FOR TAX RETURN IN-**  
2 **FORMATION.**

3 (a) IN GENERAL.—Part G of title IV (20 U.S.C.  
4 1088 et seq.) is amended by adding at the end the fol-  
5 lowing:

6 **“SEC. 494. NOTIFICATION OF REQUEST FOR TAX RETURN**  
7 **INFORMATION.**

8 “The Secretary shall advise students and borrowers  
9 who submit an application for Federal student financial  
10 aid under this title or for the discharge of a loan based  
11 on permanent and total disability, as described in section  
12 437(a), or who request an income-contingent or income-  
13 based repayment plan on their loan (as well as parents  
14 and spouses who sign such an application or request or  
15 a Master Promissory Note on behalf of those students and  
16 borrowers) that the Secretary has the authority to request  
17 that the Internal Revenue Service disclose their tax return  
18 information (as well as that of parents and spouses who  
19 sign such an application or request or a Master Promis-  
20 sory Note on behalf of those students and borrowers) to  
21 officers, employees, and contractors of the Department of  
22 Education as authorized under section 6103(1)(13) of the  
23 Internal Revenue Code of 1986, to the extent necessary  
24 for the Secretary to carry out this title.”.

25 (b) CONFORMING AMENDMENT.—Section 484(q) (20  
26 U.S.C. 1091(q)) is amended to read as follows:

1 “(q) reserved”.

2 **SEC. 5. INCREASED FUNDING FOR FEDERAL PELL GRANTS.**

3 Section 401(a)(7)(A)(iv) (20 U.S.C.

4 1070a(a)(7)(A)(iv)) is amended—

5 (1) in subclause (X), by striking

6 “\$1,430,000,000” and inserting “\$1,455,000,000”;

7 and

8 (2) in subclause (XI), by striking

9 “\$1,145,000,000” and insert “\$1,170,000,000”.

10 **SEC. 6. REPORTS ON IMPLEMENTATION.**

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

19 (1) an update on the status of implementation  
20 of the amendments made by this Act,

21 (2) an evaluation of the processing of applica-  
22 tions for Federal student financial aid, and applica-  
23 tions for income-based repayment and income con-  
24 tingent repayment, under title IV of the Higher  
25 Education Act of 1965 (20 U.S.C. 1070 et seq.), in

1 accordance with the amendments made by this Act,  
2 and

3 (3) implementation issues and suggestions for  
4 potential improvements.

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

7 (1) the date that is 90 days after the date of  
8 the enactment of this Act,

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

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