

112TH CONGRESS
2D SESSION

S. 2179

To amend title 38, United States Code, to improve oversight of educational assistance provided under laws administered by the Secretary of Veterans Affairs and the Secretary of Defense, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 8, 2012

Mr. WEBB (for himself, Mr. HARKIN, Mr. BROWN of Massachusetts, Mr. CARPER, and Mrs. MCCASKILL) introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

A BILL

To amend title 38, United States Code, to improve oversight of educational assistance provided under laws administered by the Secretary of Veterans Affairs and the Secretary of Defense, 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 “Military and Veterans
5 Educational Reform Act of 2012”.

1 **SEC. 2. ADDITIONAL REQUIREMENTS FOR APPROVAL OF**
2 **EDUCATIONAL PROGRAMS FOR PURPOSES**
3 **OF EDUCATIONAL ASSISTANCE UNDER LAWS**
4 **ADMINISTERED BY SECRETARY OF VET-**
5 **ERANS AFFAIRS AND SECRETARY OF DE-**
6 **FENSE.**

7 (a) AUTOMATIC APPROVAL BY SECRETARY OF VET-
8 ERANS AFFAIRS OF DEGREE PROGRAMS APPROVED BY
9 SECRETARY OF EDUCATION.—Clause (i) of section
10 3672(b)(2)(A) of title 38, United States Code, is amended
11 to read as follows:

12 “(i) A course that is described by section
13 3675(a) of this title.”.

14 (b) APPROVAL BY SECRETARY OF VETERANS AF-
15 FAIRS OF NON-DEGREE PROGRAMS APPROVED BY SEC-
16 RETARY OF EDUCATION.—

17 (1) IN GENERAL.—Section 3675 of such title is
18 amended—

19 (A) by redesignating subsections (b) and
20 (c) as subsections (c) and (d), respectively;

21 (B) by striking subsection (a); and

22 (C) by inserting before subsection (e), as
23 redesignated by subparagraph (A), the following
24 new subsections:

25 “(a) The Secretary or a State approving agency may
26 only approve a course that leads to an associate or higher

1 degree when such course is an eligible program (as defined
2 in section 481 of the Higher Education Act of 1965 (20
3 U.S.C. 1088)) offered by an institution of higher edu-
4 cation (as defined in section 102 of such Act (20 U.S.C.
5 1002)) that has entered into, and is complying with, a pro-
6 gram participation agreement under section 487 of such
7 Act (20 U.S.C. 1094).

8 “(b)(1) The Secretary or a State approving agency
9 may approve a course that does not lead to an associate
10 or higher degree when—

11 “(A) such course—

12 “(i) is an eligible program (as defined in
13 section 481 of the Higher Education Act of
14 1965 (20 U.S.C. 1088)) offered by an institu-
15 tion of higher education (as defined in section
16 102 of such Act (20 U.S.C. 1002)) that has en-
17 tered into, and is complying with, a program
18 participation agreement under section 487 of
19 such Act (20 U.S.C. 1094);

20 “(ii) in the case of a course designed to
21 prepare individuals for licensure or certification,
22 meets the instructional curriculum licensure or
23 certification requirements of the State in which
24 the institution is located; and

1 “(iii) in the case of a course designed to
2 prepare an individual for employment by a
3 State board or agency in an occupation that re-
4 quires approval or licensure for such employ-
5 ment, is approved or licensed by such State
6 board or agency;

7 “(B) such course is accepted by the State de-
8 partment of education for credit for a teacher’s cer-
9 tificate; or

10 “(C) such course is approved by the State as
11 meeting the requirement of regulations prescribed by
12 the Secretary of Health and Human Services under
13 sections 1819(f)(2)(A)(i) and 1919(f)(2)(A)(i) of the
14 Social Security Act (42 U.S.C. 1395i–3(f)(2)(A)(i)
15 and 1396r(f)(2)(A)(i)).

16 “(2)(A) An educational institution shall submit an
17 application for approval of courses to the appropriate
18 State approving agency. In making application for ap-
19 proval, the institution (other than an elementary school
20 or secondary school) shall transmit to the State approving
21 agency copies of its catalog or bulletin which must be cer-
22 tified as true and correct in content and policy by an au-
23 thorized representative of the institution.

24 “(B) Each catalog or bulletin transmitted by an insti-
25 tution under subparagraph (A) of this paragraph shall—

1 “(i) state with specificity the requirements of
2 the institution with respect to graduation;

3 “(ii) include the information required under
4 paragraphs (6) and (7) of section 3676(b) of this
5 title; and

6 “(iii) include any attendance standards of the
7 institution, if the institution has and enforces such
8 standards.”.

9 (2) CONFORMING AMENDMENTS.—Such title is
10 amended—

11 (A) in section 3452(g), by striking “under
12 the provisions of section 3675 of this title”;

13 (B) in section 3501(11), by striking
14 “under the provisions of section 3675 of this
15 title”;

16 (C) in section 3672(b)(2)(A), by striking
17 “3675(b)(1) and (b)(2)” and inserting
18 “3675(c)(1) and (c)(2)”; and

19 (D) in the heading for section 3675, by
20 striking “**accredited courses**” and insert-
21 ing “**courses approved by Secretary of**
22 **Education**”.

23 (3) CLERICAL AMENDMENT.—The table of sec-
24 tions at the beginning of chapter 36 of such title is

1 amended by striking the item relating to section
2 3675 and inserting the following new item:

“3675. Approval of courses approved by Secretary of Education.”.

3 (c) APPROVAL BY SECRETARY OF VETERANS AF-
4 FAIRS OF NON-DEGREE PROGRAMS NOT APPROVED BY
5 SECRETARY OF EDUCATION.—

6 (1) IN GENERAL.—Subsection (a) of section
7 3676 of such title is amended to read as follows:

8 “(a) No course of education which has not been ap-
9 proved by the Secretary or a State approving agency under
10 section 3675 of this title shall be approved for the pur-
11 poses of this chapter unless—

12 “(1) the course—

13 “(A) does not lead to an associate or high-
14 er degree;

15 “(B) was not an eligible program (as de-
16 fined in section 481 of the Higher Education
17 Act of 1965 (20 U.S.C. 1088)) at any time dur-
18 ing the most recent two-year period; and

19 “(C) is a course that the Secretary or
20 State approving agency determines, in accord-
21 ance with this section and such regulations as
22 the Secretary shall prescribe and on a case-by-
23 case basis, that approval of which would further
24 the purposes of this chapter or any of chapters
25 30 through 35 of this title; and

1 “(2) the educational institution offering such
2 course submits to the appropriate State approving
3 agency a written application for approval of such
4 course in accordance with the provisions of this
5 chapter.”.

6 (2) ADDITIONAL REQUIREMENTS.—Subsection
7 (c) of section 3676 of such title is amended—

8 (A) by redesignating paragraph (14) as
9 paragraph (21); and

10 (B) by inserting after paragraph (13) the
11 following new paragraphs:

12 “(14) Such courses providing less than 600
13 clock hours of instruction, or its equivalent, have
14 verified completion and placement rates of at least
15 70 percent.

16 “(15) Courses that prepare individuals for li-
17 censure or certification have verified that the
18 course’s instructional curriculum appropriately in-
19 cludes the licensure or certification requirements in
20 the State in which the institution deems such cur-
21 riculum does.

22 “(16) Courses for which a State board or agen-
23 cy in the State in which the course is designed to
24 prepare a student requires approval or licensure for
25 employment in the recognized occupation in the

1 State is approved or licensed by such State board or
2 agency.

3 “(17) In the case of an educational institution
4 that advertises job placement rates as a means of at-
5 tracting students to enroll in a course of education
6 offered by the educational institution, the application
7 contains any other information necessary to substan-
8 tiate the truthfulness of such advertisements.

9 “(18) The educational institution does not pro-
10 vide any commission, bonus, or other incentive pay-
11 ment based directly or indirectly on success in secur-
12 ing enrollments or financial aid to any persons or
13 entities engaged in any student recruiting or admis-
14 sion activities or in making decisions regarding the
15 award of student financial assistance, except for the
16 recruitment of foreign students residing in foreign
17 countries who are not eligible to receive Federal stu-
18 dent assistance.

19 “(19) The educational institution does not
20 make any misrepresentations (as defined in section
21 668.71 of title 34, Code of Federal Regulations (or
22 any corresponding similar regulation or ruling)) re-
23 garding the nature of its educational program, the
24 nature of its financial charges, or the employability
25 of its graduates (as defined in sections 668.72

1 through 668.74 of such title, respectively (or any
2 corresponding similar regulations or rulings)).

3 “(20) The educational institution has provided
4 information necessary to substantiate that it com-
5 plies with the requirements set forth under section
6 600.9 of title 34 Code of Federal Regulations (or
7 any corresponding similar regulation or ruling).”.

8 (3) REQUIREMENT THAT ADDITIONAL REQUIRE-
9 MENTS IMPOSED BY STATE APPROVING AGENCIES BE
10 APPROVED BY SECRETARY OF VETERANS AFFAIRS.—
11 Paragraph (21) of such subsection, as redesignated
12 by paragraph (2)(A), is amended by inserting “and
13 approved by the Secretary” before the period at the
14 end.

15 (4) CONFORMING AMENDMENTS.—Section 3676
16 of such title is amended—

17 (A) in the heading for such section, by
18 striking “**nonaccredited courses**” and in-
19 serting “**courses not approved by Sec-**
20 **retary of Education**”; and

21 (B) in subsection (c), in the matter before
22 paragraph (1), by striking “non-accredited”.

23 (5) CLERICAL AMENDMENT.—The table of sec-
24 tions at the beginning of chapter 36 of such title is

1 amended by striking the item relating to section
2 3675 and inserting the following new item:

“3676. Approval of courses not approved by Secretary of Education.”.

3 (d) ADDITIONAL REQUIREMENTS FOR APPROVAL OF
4 PROGRAMS FOR EDUCATIONAL ASSISTANCE FOR PER-
5 SONS ENLISTING FOR ACTIVE DUTY.—Section 2143 of
6 title 10, United States Code, is amended—

7 (1) in subsection (a), by striking “to subsection
8 (b)” and inserting “to subsections (b) and (c)”;

9 (2) by redesignating subsection (c) as sub-
10 section (d); and

11 (3) by inserting after subsection (b) the fol-
12 lowing new subsection (c):

13 “(c)(1) Except as provided in paragraph (2), a person
14 entitled to assistance under this chapter may only use
15 such assistance for educational expenses incurred for an
16 eligible program (as defined in section 481 of the Higher
17 Education Act of 1965 (20 U.S.C. 1088)) that—

18 “(A) is offered by an institution of higher edu-
19 cation (as defined in section 102 of such Act (20
20 U.S.C. 1002)) that has entered into, and is com-
21 plying with, a program participation agreement
22 under section 487 of such Act (20 U.S.C. 1094);

23 “(B) in the case of a program designed to pre-
24 pare individuals for licensure or certification, meets
25 the instructional curriculum licensure or certification

1 requirements of the State in which the institution is
2 located; and

3 “(C) in the case of a program designed to pre-
4 pare individuals for employment by a State board or
5 agency in an occupation that requires approval or li-
6 censure for such employment, is approved or li-
7 censed by such State board or agency.

8 “(2) The Secretary may, in accordance with regula-
9 tions the Secretary shall prescribe, authorize the use of
10 educational assistance awarded under this chapter for
11 educational expenses incurred for a program of education
12 that is not described in paragraph (1) if such program—

13 “(A) is accredited and approved by a nationally
14 recognized accrediting agency or association;

15 “(B) was not an eligible program described in
16 paragraph (1) at any time during the most recent
17 two-year period; and

18 “(C) is a program that the Secretary deter-
19 mines, on a case-by-case basis, that approval of
20 which would further the purposes of the program es-
21 tablished under section 2141 of this title.”.

22 (e) EFFECTIVE DATE.—The amendments made by
23 this section shall take effect on August 1, 2013.

1 **SEC. 3. REQUIREMENT THAT EDUCATIONAL INSTITUTIONS**
2 **INFORM STUDENTS OF MATTERS RELATING**
3 **TO ACCREDITATION AND OUTCOMES AS CON-**
4 **DITION OF APPROVAL FOR PURPOSES OF**
5 **EDUCATIONAL ASSISTANCE UNDER LAWS AD-**
6 **MINISTERED BY SECRETARY OF VETERANS**
7 **AFFAIRS AND SECRETARY OF DEFENSE.**

8 (a) EDUCATIONAL ASSISTANCE UNDER LAWS AD-
9 MINISTERED BY SECRETARY OF VETERANS AFFAIRS.—
10 Section 3672 of title 38, United States Code, is amend-
11 ed—

12 (1) by adding at the end the following new sub-
13 section:

14 “(f)(1) A course of education that is offered by an
15 educational institution may not be approved under this
16 chapter unless the educational institution discloses and
17 makes readily available the information described in para-
18 graph (2) to—

19 “(A) each individual considering enrolling in the
20 course of education at or before the moment at
21 which the individual applies for enrollment in such
22 course of education;

23 “(B) each student who is enrolled in the course
24 of education each year the student is so enrolled;
25 and

26 “(C) the public.

1 “(2) The information described in this paragraph
2 with respect to an educational institution or a course of
3 education of the educational institution is the following:

4 “(A) The names of associations, agencies, or
5 governmental bodies which accredit, approve, or li-
6 cense the educational institution and its courses of
7 education and the procedures under which any cur-
8 rent or prospective student may obtain or review
9 upon request a copy of the documents describing the
10 educational institution’s accreditation, approval, or
11 licensing.

12 “(B) Whether the educational institution is a
13 public educational institution, a private nonprofit
14 educational institution, or a private for-profit edu-
15 cational institution.

16 “(C) The rates of graduation of students who
17 enroll in the course of education and the average
18 dropout rate of all students enrolled in the course of
19 education.

20 “(D) The percentage of students enrolled in the
21 course of education who complete the course with-
22 in—

23 “(i) the standard period for completion of
24 such course of education;

25 “(ii) 150 percent of such period; and

1 “(iii) 200 percent of such period.

2 “(E) The median educational debt incurred by
3 students who complete the course of education.

4 “(F) The cohort default rate, as defined in sec-
5 tion 435(m) of the Higher Education Act of 1965
6 (20 U.S.C. 1085(m)), of the educational institution.

7 “(G) The rates of job placement of students
8 who complete the course of education, as applicable,
9 and the types of employment obtained by such stu-
10 dents.

11 “(H) For any job for which the course of edu-
12 cation is designed to prepare a student, the relevant
13 licensing or certification requirements for such job in
14 the State for which the course is designed to prepare
15 the student to obtain such license or certificate and
16 the examination and licensure test pass rates, as ap-
17 plicable.

18 “(I) The tuition and fees for programs of edu-
19 cation at the educational institution.

20 “(J) The percentage of students enrolled in
21 programs of education at the educational institution
22 who have submitted a complaint under section
23 3697C(a) of this title.

24 “(K) With respect to the information reported
25 under subparagraphs (C) through (J), indicators of

1 how the educational institution compares with the
2 averages of all public educational institutions with
3 similar courses of education in the State in which
4 the educational institution is located.

5 “(L) A description of the procedures by which
6 student may submit complaints regarding edu-
7 cational institutions to applicable Federal and State
8 agencies, including State approving agencies and ac-
9 crediting agencies or associations and such contact
10 information as may be necessary to submit such
11 complaints.

12 “(M) A description of the process established
13 under section 3697C(a) of this title and such contact
14 information as may be necessary to submit a com-
15 plaint in accordance with such process.

16 “(N) The policies established by the educational
17 institution regarding transfer of course credit, in-
18 cluding the following:

19 “(i) Any established criteria the edu-
20 cational institution uses regarding the transfer
21 of course credit earned at another educational
22 institution.

23 “(ii) A list of educational institutions that
24 will accept transfer of course credit for specific

1 programs of education offered by the edu-
2 cational institution.

3 “(iii) A list of educational institutions from
4 which the educational institution will accept
5 transfer of course credit for specific programs
6 offered by that educational institution.

7 “(iv) Any changes by the educational insti-
8 tution in such policies and established criteria
9 that first took effect in the most recent one-
10 year period.

11 “(O) A statement of the requirements of any
12 refund policies of the educational institution.

13 “(P) A statement of the requirements for offi-
14 cially withdrawing from a course of education at the
15 educational institution.

16 “(Q) The standards which a student must
17 maintain in order to be considered to be making sat-
18 isfactory progress in a course of education at the
19 educational institution.

20 “(R) A description of the services available at
21 the educational institution that are tailored specifi-
22 cally to meet the needs of individuals receiving as-
23 sistance under this chapter, any of chapters 30
24 through 35 of this title, or chapter 106A or 1606 of

1 title 10, including services provided under section
2 3679A(a) of this title.

3 “(S) In the case of an educational institution
4 that advertises job placement rates as a means of at-
5 tracting students to enroll in the educational institu-
6 tion, such information as may be necessary to sub-
7 stantiate the truthfulness of the claims made in such
8 advertising.

9 “(3) The information disclosed and made readily
10 available under paragraph (1) to individuals and students
11 described in subparagraphs (A) and (B) of such para-
12 graph, respectively, shall be disclosed and made readily
13 available—

14 “(A) in language that can be easily understood
15 by such individuals and students; and

16 “(B) in a uniform manner that is appropriate
17 for such individuals and students, including by pub-
18 lications, mailings, and electronic media.”; and

19 (2) in subsection (b)(2)(A), as amended by sec-
20 tion 2(b)(2), in the matter before clause (i), by in-
21 serting “subsection (f) and” after “Subject to”.

22 (b) EDUCATIONAL ASSISTANCE FOR PERSONS EN-
23 LISTING FOR ACTIVE DUTY.—

1 (1) IN GENERAL.—Chapter 106A of title 10,
2 United States Code, is amended by inserting after
3 section 2149 the following new section:

4 **“§ 2149A. Disclosure requirements of educational in-**
5 **stitutions**

6 “The Secretary may not provide a payment of edu-
7 cational expenses under an educational assistance pro-
8 gram established under section 2141 of this title for in-
9 struction at an accredited institution (as defined in section
10 2143 of this title) unless such institution discloses and
11 makes readily available the information described in para-
12 graph (2) of section 3672(f) of title 38 as described in
13 paragraph (3) of such section to—

14 “(1) each individual considering enrolling in the
15 course of education at or before the moment at
16 which the individual applies for enrollment in such
17 course of education;

18 “(2) each student who is enrolled in the course
19 of education each year the student is so enrolled;
20 and

21 “(3) the public.”.

22 (2) CLERICAL AMENDMENT.—The table of sec-
23 tions at the beginning of chapter 106A of such title
24 is amended by adding at the end the following new
25 item:

“2149A. Disclosure requirements of educational institutions.”.

1 (c) EFFECTIVE DATE.—Subsection (f) of section
 2 3672 of title 38, United States Code, as added by sub-
 3 section (a)(1), and section 2149A of title 10, United
 4 States Code, as added by subsection (b)(1), shall take ef-
 5 fect on August 1, 2013.

6 **SEC. 4. ADDITIONAL REQUIREMENTS OF EDUCATIONAL IN-**
 7 **STITUTIONS FOR SUPPORT OF VETERANS**
 8 **AND MEMBERS OF ARMED FORCES.**

9 (a) REQUIREMENTS.—

10 (1) IN GENERAL.—Subchapter I of chapter 36
 11 of title 38, United States Code, is amended by add-
 12 ing at the end the following new section:

13 **“§ 3679A. Additional requirements**

14 **“(a) PROVISION OF COUNSELING AND SERVICES.—**

15 (1) An educational institution with 20 or more covered
 16 individuals enrolled in programs of education at the edu-
 17 cational institution may not be approved under this chap-
 18 ter unless the educational institution provides adequate
 19 academic and student support services (as determined by
 20 the Secretary), including remediation, tutoring, and career
 21 and job placement counseling services to such covered in-
 22 dividuals.

23 **“(2) The Secretary may, on a case-by-case basis,**
 24 **waive the requirement to provide services under paragraph**

1 (1) for an educational institution for an academic year
2 if—

3 “(A) the Secretary determines that the edu-
4 cational institution has demonstrated that providing
5 such services during such academic year would lead
6 to severe financial hardship; and

7 “(B) the educational institution submits to the
8 Secretary a plan to provide such services during the
9 following academic year.

10 “(b) MINIMUM STANDARDS FOR EMPLOYMENT OF
11 POINTS OF CONTACT.—Except as provided in paragraph
12 (2), an educational institution may not be approved under
13 this chapter unless the educational institution employs a
14 number of full-time equivalent employees that the Sec-
15 retary considers adequate, but not less than one full-time
16 equivalent employee, who—

17 “(1) acts as a point of contact for covered indi-
18 viduals on matters relating to educational assistance
19 available to individuals under this chapter and chap-
20 ters 30 through 35 of this title and under chapters
21 106A and 1606 of title 10;

22 “(2) is knowledgeable about such educational
23 assistance and such other financial aid, admissions,
24 counseling and referral services, and matters relat-

1 ing to postsecondary education as are important to
2 the educational success of covered individuals; and

3 “(3) is available to assist covered individuals on
4 a full-time basis.

5 “(c) COVERED INDIVIDUAL DEFINED.—In this sec-
6 tion, the term ‘covered individual’, with respect to enroll-
7 ment in a program of education, means an individual who
8 is receiving educational assistance under this chapter or
9 any of chapters 30 through 35 of this title or under chap-
10 ters 106A and 1606 of title 10 for such program of edu-
11 cation.”.

12 (2) CLERICAL AMENDMENT.—The table of sec-
13 tions at the beginning of chapter 36 of such title is
14 amended by inserting after the item relating to sec-
15 tion 3679 the following new item:

“3679A. Additional requirements.”.

16 (b) CONFORMING AMENDMENT.—Section
17 3672(b)(2)(A) of such title (as amended by section
18 3(a)(2)) is further amended by striking “and 3696” and
19 inserting “3696, and 3679A”.

20 (c) EFFECTIVE DATE.—Section 3679A of such title,
21 as added by paragraph (1), shall take effect on August
22 1, 2013.

23 **SEC. 5. STATE APPROVING AGENCIES.**

24 (a) EDUCATION AND OUTREACH.—

1 (1) IN GENERAL.—Subchapter I of chapter 36
2 of title 38, United States Code, is amended by in-
3 serting after section 3674A the following new sec-
4 tion:

5 **“§ 3674B. Education and outreach**

6 “(a) EDUCATION AND OUTREACH REQUIRED.—As a
7 condition on receipt of reimbursement expenses under sec-
8 tion 3674 of this title, each State approving agency shall
9 conduct such education and outreach activities for individ-
10 uals who are eligible to receive or are receiving educational
11 assistance under this chapter or any of chapters 30
12 through 35 of this title as the Secretary considers appro-
13 priate to assist such individuals in making well-informed
14 choices about their education and successfully transition-
15 ing into an educational environment.

16 “(b) COORDINATION.—Each State approving agency
17 conducting outreach activities under subsection (a) shall
18 coordinate with the Secretary of Defense to ensure, as the
19 Secretary of Defense considers appropriate, that informa-
20 tion on educational assistance available under this chapter
21 and chapters 30 through 35 of this title is made readily
22 available as part of the Transition Assistance Program
23 (TAP) of the Department of Defense in the State of the
24 State approving agency.

1 “(c) MANNER.—Information made available as part
2 of education and outreach activities under this section
3 shall be made—

4 “(1) in language that can be easily understood
5 by individuals described in paragraph (1);

6 “(2) in a uniform and easily accessible manner;
7 and

8 “(3) through such means as may be appropriate
9 and effective, including through publications, mail-
10 ings, and electronic media.”.

11 (2) CLERICAL AMENDMENT.—The table of sec-
12 tions at the beginning of chapter 36 of such title is
13 amended by inserting after the item relating to sec-
14 tion 3674A the following new item:

“3674B. Education and outreach.”.

15 (b) AUDITS.—Section 3673(d) of such title is amend-
16 ed—

17 (1) by inserting “(1)” before “The Secretary”;
18 and

19 (2) by adding at the end the following new
20 paragraph:

21 “(2) Each year, each State approving agency, as a
22 condition of receiving reimbursement of expenses under
23 section 3674 of this title, shall conduct such audits as the
24 Secretary considers appropriate, including unannounced
25 audits and audits using risk-based approaches, of edu-

1 cational institutions in the State of the State approving
2 agency that have students enrolled in programs of edu-
3 cation at the educational institutions who are receiving
4 educational assistance under this chapter or any of chap-
5 ters 30 through 35 of this title (without regard to whether
6 the Secretary or the State approving agency approved the
7 courses offered) in such State—

8 “(A) to detect misrepresentation, fraud, waste,
9 and abuse;

10 “(B) to ensure full compliance with the provi-
11 sions of this chapter; and

12 “(C) for such other purposes as the Secretary
13 considers appropriate.”.

14 (c) REPORTS.—Section 3674(a)(3) of such title is
15 amended—

16 (1) by inserting “(A)” before “Each State”;
17 and

18 (2) by adding at the end the following new sub-
19 paragraph:

20 “(B) Each report submitted under subparagraph (A)
21 shall include the following:

22 “(i) The number of visits made by the agency
23 to educational institutions, including the number of
24 such visits that were made without the prior knowl-
25 edge of such educational institution.

1 “(ii) A description of the audits carried out by
2 the agency under section 3673(d)(2) of this title and
3 the findings of the agency, including with respect to
4 any substantiated findings of misrepresentation,
5 fraud, waste, abuse, or failure to comply with an ap-
6 plicable requirement of this chapter and the steps
7 taken by the agency to address such fraud, waste,
8 abuse, or failure to comply.

9 “(iii) A description of the outreach and training
10 activities conducted by the agency under section
11 3674B of this title.”.

12 (d) EFFECTIVE DATE.—The amendments made by
13 this section shall take effect on August 1, 2013.

14 **SEC. 6. MANDATORY COMPLIANCE REVIEWS.**

15 (a) IN GENERAL.—Section 3693 of title 38, United
16 States Code, is amended by adding at the end the fol-
17 lowing new subsection:

18 “(c) In addition to the annual compliance surveys
19 conducted under subsection (a), the Secretary shall also
20 conduct a compliance review, in accordance with such reg-
21 ulations as the Secretary shall prescribe, of an educational
22 institution described in such subsection whenever the Sec-
23 retary finds any of the following:

1 “(1) The number of student enrollments at, or
2 the rate of student enrollments of, the educational
3 institution has increased rapidly.

4 “(2) The student dropout rate of the institution
5 has increased rapidly.

6 “(3) The cohort default rate, as defined in sec-
7 tion 435(m) of the Higher Education Act of 1965
8 (20 U.S.C. 1085(m)), of the educational institution
9 has increased rapidly or is consistently higher than
10 the average of cohort default rate of comparable
11 educational institutions.

12 “(4) The number of substantiated complaints
13 filed under section 3697C(a)(1) of this title with re-
14 spect to the educational institution have increased
15 rapidly or is consistently higher than the number of
16 substantiated complaints filed with respect to other
17 comparable educational institutions.

18 “(5) The educational institution is the subject
19 of a civil lawsuit in Federal or State court, is
20 charged with a crime under Federal or State law, or
21 is the subject of an official investigation of a State
22 or Federal agency for misconduct.

23 “(6) The educational institution has significant
24 growth in revenue resulting from tuition, including
25 tuition paid with assistance provided under this

1 chapter, chapters 30 through 35 of this title, or
2 chapters 106A or 1606 of title 10, which cannot be
3 attributed to changes made to such chapters by Acts
4 of Congress or changes to the administration of such
5 chapters.

6 “(7) Such other findings as the Secretary con-
7 siders warrant conducting a compliance survey
8 under subsection (a).”.

9 (b) EFFECTIVE DATE.—Subsection (c) of such sec-
10 tion, as added by subsection (a), shall take effect on Au-
11 gust 1, 2013.

12 **SEC. 7. TRAINING AND COUNSELING SO VETERANS AND**
13 **MEMBERS OF THE ARMED FORCES CAN**
14 **MAKE INFORMED DECISIONS ABOUT EDU-**
15 **CATION.**

16 (a) IN GENERAL.—Subchapter II of chapter 36 of
17 title 38, United States Code, is amended by adding at the
18 end the following new section:

19 **“§ 3697B. Required one-on-one educational coun-**
20 **seling**

21 “(a) PROVISION OF COUNSELING REQUIRED.—(1)
22 The Secretary of Veterans Affairs shall provide individual-
23 ized, one-on-one educational counseling to all individuals
24 considering pursuing a program of education with assist-

1 ance furnished under this chapter or any of chapters 30
2 through 35 of this title.

3 “(2) The Secretary of Defense shall provide individ-
4 ualized, one-on-one educational counseling to all individ-
5 uals considering pursuing a program of education with as-
6 sistance furnished under chapter 106A or 1606 of title
7 10.

8 “(b) TIME AND MANNER OF COUNSELING.—(1)
9 Counseling provided under subsection (a) to an individual
10 described in such subsection considering a program of
11 education shall be provided at or before the individual en-
12 rolls in such program as follows:

13 “(A) To such individuals who have received
14 fewer than $\frac{1}{3}$ of the credits necessary to complete
15 the program of education, a complete version of such
16 counseling.

17 “(B) To such individuals who have received $\frac{1}{3}$
18 or more of the credits necessary to complete the pro-
19 gram of education, a condensed version of such
20 counseling as the Secretary of Veterans Affairs or
21 the Secretary of Defense, as the case may be, con-
22 siders appropriate.

23 “(2) To the extent practicable, counseling provided
24 under subsection (a) to an individual described in para-

1 graph (1)(A) of this subsection shall be provided in per-
2 son.

3 “(3) The Secretary of Veterans Affairs and the Sec-
4 retary of Defense shall each establish, by regulation, pro-
5 cedures by which individuals may receive counseling pro-
6 vided under subsection (a) when receipt of such counseling
7 in person is not practicable.

8 “(c) ELEMENTS.—A complete version of counseling
9 provided under subsection (b)(1) for an individual shall
10 include the following:

11 “(1) An overview of educational assistance
12 available to the individual under this chapter and
13 chapters 30 through 35 of this title or under chap-
14 ters 106A and 1606 of title 10, as the case may be.

15 “(2) Development of a personalized academic
16 and career plan.

17 “(3) An overview of the information disclosed
18 and made readily available under section 3672(f)(1)
19 of this title relevant to the academic and career plan
20 developed under paragraph (2).

21 “(4) A discussion of how enrollment in the pro-
22 gram of education at the educational institution will
23 affect the individual’s academic and career plan and
24 the financial implications for such individual of such
25 enrollment.

1 “(5) An introduction to the College Navigator
2 Internet website of the Department of Education.

3 “(d) QUALIFIED COUNSELORS.—Counseling provided
4 under subsection (a) may only be provided by properly
5 trained counselors, as determined by the Secretary of Vet-
6 erans Affairs and the Secretary of Defense.

7 “(e) USE OF INFORMATION DISCLOSED BY EDU-
8 CATIONAL INSTITUTIONS.—In providing educational as-
9 sistance under this section, the Secretary of Veterans Af-
10 fairs and the Secretary of Defense shall, to the degree
11 practicable, use the information disclosed and made read-
12 ily available under section 3672(f)(1) of this title.

13 “(f) LINKS TO COLLEGE NAVIGATOR INTERNET
14 WEBSITE OF DEPARTMENT OF EDUCATION.—The Sec-
15 retary of Veterans Affairs and the Secretary of Defense
16 shall provide links on the Internet websites of the Depart-
17 ment of Veterans Affairs of the Department of Defense,
18 respectively, to the College Navigator Internet website of
19 the Department of Education in such a manner as the
20 Secretary of Veterans Affairs and the Secretary of De-
21 fense consider appropriate to inform veterans and mem-
22 bers of the Armed Forces of the availability of and the
23 benefits of using the College Navigator Internet website.”.

1 (b) CLERICAL AMENDMENT.—The table of sections
 2 for chapter 36 of such title is amended by adding at the
 3 end the following new item:

“3697B. Required one-on-one educational counseling.”.

4 (c) CLARIFICATION.—

5 (1) HEADING OF SECTION 3697A OF TITLE 38.—

6 Section 3697A of such title is amended, in the head-
 7 ing, by adding “**by election**” at the end.

8 (2) TABLE OF SECTIONS.—The table of sections
 9 for chapter 36 of such title is amended by amending
 10 the item relating to section 3697A to read as fol-
 11 lows:

“3697A. Educational and vocational counseling by election.”.

12 (d) EFFECTIVE DATE.—Section 3697B of such title,
 13 as added by paragraph (1), shall take effect on August
 14 1, 2013, and shall apply with respect to individuals consid-
 15 ering pursuing programs of education as described in sub-
 16 section (a) of such section after such date.

17 **SEC. 8. COORDINATION AND OVERSIGHT OF EDUCATIONAL**
 18 **ASSISTANCE PROGRAMS.**

19 (a) IN GENERAL.—Subchapter II of chapter 36 of
 20 title 38, United States Code, as amended by section 6,
 21 is further amended by adding at the end the following new
 22 section:

1 **“§ 3697C. Coordination and oversight**

2 “(a) DEVELOPMENT OF CENTRALIZED COMPLAINTS
3 PROCESS.—(1) Not later than 180 days after the date of
4 the enactment of the Military and Veterans Educational
5 Reform Act of 2012, the Secretary of Veterans Affairs and
6 the Secretary of Defense shall each establish, by regula-
7 tion, a process whereby persons are able to submit to the
8 Secretaries, including by submitting via State approving
9 agencies, complaints regarding educational institutions
10 relevant to the provision of educational assistance provided
11 under this chapter and chapters 30 through 35 of this title
12 and under chapters 106A and 1606 of title 10, including
13 complaints regarding misrepresentation, fraud, waste, and
14 abuse.

15 “(2) The process required by paragraph (1) shall in-
16 clude procedures to address complaints in a timely man-
17 ner, including review and investigation of such complaints.

18 “(3) Each year, the Secretary of Veterans Affairs and
19 the Secretary of Defense shall each compile the informa-
20 tion they collect under this subsection and share such in-
21 formation with each other and the Secretary of Education,
22 as otherwise allowed under law.

23 “(b) INFORMATION SHARING BETWEEN SECRETARY
24 OF VETERANS AFFAIRS, SECRETARY OF DEFENSE, AND
25 SECRETARY OF EDUCATION.—(1) Not later than 180
26 days after the date of the enactment of the Military and

1 Veterans Educational Reform Act of 2012, the Secretary
2 of Veterans Affairs and the Secretary of Defense shall
3 each establish, by regulation, a process by which informa-
4 tion may be reported by their respective departments to
5 the Secretary of Education and each other regarding in-
6 formation with respect to substantiated acts by edu-
7 cational institutions of misrepresentation, fraud, waste, or
8 abuse or failure to comply with an applicable requirement
9 of this chapter or other information considered appro-
10 priate by the reporting Secretary by an educational insti-
11 tution at which an individual is enrolled in a program of
12 education for which the individual receives educational as-
13 sistance under this chapter, any of chapters 30 through
14 35 of this title, or chapter 106A or 1606 of title 10 rel-
15 evant to the purpose and effective implementation of Fed-
16 eral programs of educational assistance provided under
17 such chapters.

18 “(2) Not later than 180 days after the date of the
19 enactment of the Military and Veterans Educational Re-
20 form Act of 2012, the Secretary of Education shall estab-
21 lish a process by which the Secretary of Education notifies
22 the Secretary of Veterans Affairs and the Secretary of De-
23 fense of the following with respect to educational institu-
24 tions:

1 “(A) Substantiated acts by educational institu-
2 tions of misrepresentation, fraud, waste, or abuse.

3 “(B) Loss of accreditation.

4 “(C) Loss of eligibility under title IV of the
5 Higher Education Act of 1965 (20 U.S.C. 1070 et
6 seq.).

7 “(D) Has been reported by a Federal or State
8 agency or a nationally recognized accrediting agency
9 or association as failing to comply with, or has a sig-
10 nificant risk of failing to comply with, a provision of
11 Federal or State law or a requirement that is a con-
12 dition for accreditation established by a nationally
13 recognized accrediting agency or association.

14 “(E) Such other information as the Secretary
15 of Education considers appropriate.

16 “(c) ANNUAL REPORT ON EDUCATIONAL ASSIST-
17 ANCE PROVIDED BY DEPARTMENT OF VETERANS AF-
18 FAIRS AND DEPARTMENT OF DEFENSE.—(1) Not less fre-
19 quently than once each year, the Secretary of Veterans
20 Affairs and the Secretary of Defense shall each submit
21 to Congress a report on the provision of educational assist-
22 ance under this chapter and chapters 30 through 35 of
23 this title and under chapters 106A and 1606 of title 10,
24 respectively.

1 “(2) Each report submitted under subsection (a)
2 shall include, for the period covered by the report and
3 disaggregated by for-profit and not-for-profit educational
4 institutions, the following:

5 “(A) The number of individuals who received
6 assistance under laws administered by the respective
7 Secretary.

8 “(B) The amounts of assistance provided.

9 “(C) A description of any complaints reported
10 under subsection (a) to the respective Secretary or
11 State approving agencies by such individuals with
12 respect to the receipt or use of educational assist-
13 ance under laws administered by the respective Sec-
14 retary.

15 “(D) All substantiated reports of misrepresen-
16 tation, waste, fraud, abuse, or other acts that are in-
17 consistent with the requirements of this chapter by
18 an educational institution at which an individual is
19 enrolled in a program of education for which the in-
20 dividual is receiving educational assistance under a
21 law administered by the respective Secretary.

22 “(E) A list of educational institutions which
23 had courses of education that were approved under
24 this chapter in the previous year but were found, in

1 the year covered by the report, not in compliance
2 with a requirement of such chapter.

3 “(F) Such recommendations for legislative or
4 regulatory action as the respective Secretary con-
5 siders appropriate to improve the provision of edu-
6 cational assistance under the laws administered by
7 the respective Secretary.

8 “(G) An assessment of the academic perform-
9 ance of individuals who received educational assist-
10 ance described in paragraph (1), including gradua-
11 tion rates and dropout rates.

12 “(H) A list of educational institutions that were
13 approved under this chapter, disaggregated by edu-
14 cational institutions approved under section 3676 of
15 this title.”.

16 (b) CLERICAL AMENDMENT.—The table of sections
17 at the beginning of chapter 36 of such title, as amended
18 by section 6, is further amended by adding at the end the
19 following new item:

“3697C. Coordination and oversight.”.

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