

112TH CONGRESS  
2D SESSION

# S. 3474

To provide consumer protections for students.

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IN THE SENATE OF THE UNITED STATES

AUGUST 1, 2012

Mr. MERKLEY (for himself, Ms. MIKULSKI, and Mr. HARKIN) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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## A BILL

To provide consumer protections for students.

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 “Protecting Students  
5 from Worthless Degrees Act”.

6 **SEC. 2. CONSUMER PROTECTIONS FOR STUDENTS.**

7 (a) IN GENERAL.—

8 (1) DEFINITIONS.—In this section:

9 (A) FEDERAL FINANCIAL ASSISTANCE  
10 PROGRAM.—The term “Federal financial assist-  
11 ance program” means a program authorized

1 and funded by the Federal Government under  
2 any of the following provisions of law:

3 (i) Title IV of the Higher Education  
4 Act of 1965 (20 U.S.C. 1070 et seq.).

5 (ii) Title I of the Workforce Invest-  
6 ment Act of 1998 (29 U.S.C. 2801 et  
7 seq.).

8 (iii) The Adult Education and Family  
9 Literacy Act (20 U.S.C. 9201 et seq.).

10 (iv) Chapter 30, 31, 32, 33, 34, or 35  
11 of title 38, United States Code.

12 (v) Chapter 101, 105, 106A, 1606,  
13 1607, or 1608 of title 10, United States  
14 Code.

15 (vi) Section 1784a, 2005, or 2007 of  
16 title 10, United States Code.

17 (B) INSTITUTION OF HIGHER EDU-  
18 CATION.—The term “institution of higher edu-  
19 cation”—

20 (i) with respect to a program author-  
21 ized under subparagraph (A)(i), has the  
22 meaning given the term in section 102 of  
23 the Higher Education Act of 1965 (20  
24 U.S.C. 1002);

1 (ii) with respect to a program author-  
2 ized under subparagraph (A)(ii), has the  
3 meaning given the term “postsecondary  
4 educational institution” as defined in sec-  
5 tion 101 of the Workforce Investment Act  
6 of 1998 (29 U.S.C. 2801);

7 (iii) with respect to a program author-  
8 ized under subparagraph (A)(iii), has the  
9 meaning given the term “postsecondary  
10 educational institution” as defined in sec-  
11 tion 203 of the Adult Education and Fam-  
12 ily Literacy Act (20 U.S.C. 9202);

13 (iv) with respect to a program author-  
14 ized under subparagraph (A)(iv), has the  
15 meaning given the term “educational insti-  
16 tution” under section 3452 of title 38,  
17 United States Code;

18 (v) with respect to a program author-  
19 ized under subparagraph (A)(v), means an  
20 educational institution that awards a de-  
21 gree or certificate and is located in any  
22 State; and

23 (vi) with respect to a program author-  
24 ized under subparagraph (A)(vi), means an  
25 educational institution that awards a de-

1           gree or certificate and is located in any  
2           State.

3           (C) STATE.—

4                 (i) STATE.—The term “State” in-  
5                 cludes, in addition to the several States of  
6                 the United States, the Commonwealth of  
7                 Puerto Rico, the District of Columbia,  
8                 Guam, American Samoa, the United States  
9                 Virgin Islands, the Commonwealth of the  
10                Northern Mariana Islands, and the Freely  
11                Associated States.

12               (ii) FREELY ASSOCIATED STATES.—  
13               The term “Freely Associated States”  
14               means the Republic of the Marshall Is-  
15               lands, the Federated States of Micronesia,  
16               and the Republic of Palau.

17           (2) CONSUMER PROTECTIONS.—Notwith-  
18           standing any other provision of law, an institution of  
19           higher education is not eligible to participate in a  
20           Federal financial assistance program with respect to  
21           any program of postsecondary education or training,  
22           including a degree or certificate program, that is de-  
23           signed to prepare students for entry into a recog-  
24           nized occupation or profession that requires licensing  
25           or other established requirements as a pre-condition

1 for entry into such occupation or profession, un-  
2 less—

3 (A) the successful completion of the pro-  
4 gram fully qualifies a student, in the State in  
5 which the institution offering the program is lo-  
6 cated (and in any State in which the institution  
7 indicates, through advertising or marketing ac-  
8 tivities or direct contact with potential students,  
9 that a student will be prepared to work in the  
10 occupation or profession after successfully com-  
11 pleting the program), to—

12 (i) take any examination required for  
13 entry into the recognized occupation or  
14 profession in the State, including satisfying  
15 all State or professionally mandated pro-  
16 grammatic and specialized accreditation re-  
17 quirements, if any; and

18 (ii) be certified or licensed or meet  
19 any other academically related pre-condi-  
20 tions that are required for entry into the  
21 recognized occupation or profession in the  
22 State;

23 (B) the institution offering the program  
24 provides timely placement for all of the aca-  
25 demically related pre-licensure requirements for

1 entry into the recognized occupation or profes-  
2 sion in the State, such as clinical placements,  
3 internships, or apprenticeships;

4 (C) in the case of State licensing or profes-  
5 sionally mandated requirements for entry into  
6 the recognized occupation or profession in the  
7 State in which the institution offering the pro-  
8 gram is located (and in any State in which the  
9 institution indicates, through advertising or  
10 marketing activities or direct contact with po-  
11 tential students, that a student will be prepared  
12 to work in the occupation or profession after  
13 successfully completing the program) that re-  
14 quire specialized accreditation—

15 (i) the program meets that require-  
16 ment for specialized accreditation through  
17 its accreditation or pre-accreditation by an  
18 accrediting agency or association recog-  
19 nized by the Secretary of Education as a  
20 reliable authority as to the quality or train-  
21 ing offered by the institution in that pro-  
22 gram; and

23 (ii) if the program is in a pre-accred-  
24 ited, probation, or show cause status by an  
25 accrediting agency or association described

1 in clause (i), and the requirement for spe-  
2 cialized accreditation is for full accredita-  
3 tion, the institution—

4 (I) establishes, to the satisfaction  
5 of the Secretary of Education, that  
6 each student who enrolls before the  
7 program is fully accredited attests of  
8 being advised that the program is in  
9 a pre-accredited, probation, or show  
10 cause status and of being informed of  
11 the effect on the student's eligibility  
12 for assistance under this title and on  
13 the student's ability to satisfy State  
14 or professionally mandated require-  
15 ments for entry into the recognized  
16 occupation or profession if full accred-  
17 itation is delayed, denied, terminated,  
18 or withdrawn; and

19 (II) publicly and prominently dis-  
20 closes in any advertising, marketing,  
21 or recruitment materials and activities  
22 for the institution, the institution's  
23 pre-accredited, probation, or show  
24 cause status and the implications of

1           such status for prospective students;

2           and

3           (D) the institution—

4           (i) discloses on the application to en-  
5           roll in the institution that its program does  
6           not necessarily satisfy out-of-State require-  
7           ments, if applicable; and

8           (ii) upon receipt of an application to  
9           enroll in the institution, notifies the stu-  
10          dent, prior to enrollment, if the program in  
11          which the student intends to enroll does  
12          not satisfy the requirements of the State in  
13          which the student is a resident, if applica-  
14          ble.

15          (b) EFFECTIVE DATE.—This section shall be effec-  
16          tive 6 months after the date of enactment of this Act.

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