II

114TH CONGRESS
1ST SESSION

S. 1165

To provide consumer protections for students.

IN THE SENATE OF THE UNITED STATES

APRIL 30, 2015

Mr. MERKLEY (for himself and Mr. DURBIN) 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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Protecting Students from Worthless Degrees Act''.

SEC. 2. CONSUMER PROTECTIONS FOR STUDENTS.

(a) DEFINITIONS.—In this section:

(1) FEDERAL FINANCIAL ASSISTANCE PROGRAM.—The term ''Federal financial assistance program'' means a program authorized and funded by

the Federal Government under any of the following provisions of law:

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

(B) Title I of the Workforce Innovation and Opportunity Act (29 U.S.C. 3111 et seq.) and title I of the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.).

(C) The Adult Education and Family Literacy Act (29 U.S.C. 3271 et seq.).

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

(E) Chapter 101, 105, 106A, 1606, 1607, or 1608 of title 10, United States Code.

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

(2) INSTITUTION OF HIGHER EDUCATION.—The term ''institution of higher education''—

(A) with respect to a program authorized under paragraph (1)(A), has the meaning given the term in section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002);

(B) with respect to—

(i) a program authorized under title I of the Workforce Investment Act of 1998

(29 U.S.C. 2801 et seq.), has the meaning given the term ‘‘postsecondary educational institution’’ as defined in section 101 of the Workforce Investment Act of 1998 (29 U.S.C. 2801), on the day before the date of enactment of the Workforce Innovation and Opportunity Act; and

(ii) a program authorized under title I of the Workforce Innovation and Opportunity Act (29 U.S.C. 3111 et seq.), has the meaning given the term in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102);

(C) with respect to a program authorized under paragraph (1)(C), has the meaning given the term ‘‘postsecondary educational institution’’ as defined in section 203 of the Adult Education and Family Literacy Act (29 U.S.C. 3272);

(D) with respect to a program authorized under paragraph (1)(D), has the meaning given the term ‘‘educational institution’’ under section 3452 of title 38, United States Code;

(E) with respect to a program authorized under paragraph (1)(E), means an educational institution that awards a degree or certificate and is located in any State; and

(F) with respect to a program authorized under paragraph (1)(F), means an educational institution that awards a degree or certificate and is located in any State.

(3) STATE.—

(A) STATE.—The term ''State'' includes, in addition to the several States of the United States, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, and the freely associated States.

(B) FREELY ASSOCIATED STATES.—The term ''freely associated States'' means the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

(b) CONSUMER PROTECTIONS.—Notwithstanding any other provision of law, an institution of higher education is not eligible to participate in a Federal financial assistance program with respect to any program of postsecondary education or training, including a degree or certificate program, that is designed to prepare students for entry into a recognized occupation or profession that requires licensing or other established requirements as a pre-condition for entry into such occupation or profession, unless, by not later than 1 year after the date of enactment of this Act—

(1) the successful completion of the program fully qualifies a student, in the Metropolitan Statistical Area and State in which the student resides (and in any State in which the institution indicates, through advertising or marketing activities or direct contact with potential students, that a student will be prepared to work in the occupation or profession after successfully completing the program), to—

(A) take any examination required for entry into the recognized occupation or profession in the Metropolitan Statistical Area and State in which the student resides, including satisfying all Federal, State, or professionally mandated programmatic and specialized accreditation requirements, if any; and

(B) be certified or licensed or meet any other academically related pre-conditions that are required for entry into the recognized occupation or profession in the State; and

(2) the institution offering the program provides timely placement for all of the academically related pre-licensure requirements for entry into the recognized occupation or profession, such as clinical placements, internships, or apprenticeships.

(c) REGULATIONS ON PRE-ACCREDITED PROGRAMS.—The Secretary of Education shall promulgate regulations on requirements of an institution of higher education with respect to any program of the institution that is in a pre-accredited status, including limitations on, or requirements of, advertisement of the program to students. Such regulations shall be consistent with the provisions of subsection (b).

(d) LOAN DISCHARGE.—The Secretary of Education shall promulgate regulations that condition eligibility for an institution of higher education to participate in any Federal financial assistance program on the institution signing with each student enrolled in any program of the institution that is in a pre-accredited status, a loan discharge agreement.

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