AMENDMENT TO H.R. 5620
OFFERED BY MS. SPEIER OF CALIFORNIA

Page 54, after line 2, insert the following:

SEC. 11. PROGRAM PARTICIPATION AGREEMENTS FOR
PROPRIETARY INSTITUTIONS OF HIGHER
EDUCATION.

Section 487 of the Higher Education Act of 1965 (20
U.S.C. 1094) is amended—

(1) in subsection (a)(24)—

(A) by inserting “that receives funds pro-
vided under this title” before “, such institu-
tion”; and

(B) by striking “other than funds provided
under this title, as calculated in accordance
with subsection (d)(1)” and inserting “other
than Federal educational assistance, as defined
in subsection (d)(5) and calculated in accord-
ance with subsection (d)(1)”;

(2) in subsection (d)—

(A) in the subsection heading, by striking
“NON-TITLE IV” and inserting “NON-FED-
eral Educational”;

(B) in paragraph (1)—
(i) in the matter preceding subparagraph (A), by inserting “that receives funds provided under this title” before “shall”;

(ii) in subparagraph (B)—

(I) in clause (i), by striking “assistance under this title” and inserting “Federal educational assistance”;

and

(II) in clause (ii)(I), by inserting “, or on a military base if the administering Secretary for a program of Federal educational assistance under clause (ii), (iii), or (iv) of paragraph (5)(B) has authorized such location” before the semicolon;

(iii) in subparagraph (C), by striking “program under this title” and inserting “program of Federal educational assistance”; and

(iv) in subparagraph (E), by striking “funds received under this title” and inserting “Federal educational assistance”; and

(v) in subparagraph (F)—
(I) in clause (iii), by striking “under this title” and inserting “of Federal educational assistance”; and

(II) in clause (iv), by striking “under this title” and inserting “of Federal educational assistance”;

(C) in paragraph (2)—

(i) by striking subparagraph (A) and inserting the following:

“(A) INELIGIBILITY.—

“(i) IN GENERAL.—Notwithstanding any other provision of law, a proprietary institution of higher education receiving funds provided under this title that fails to meet a requirement of subsection (a)(24) for two consecutive institutional fiscal years shall be ineligible to participate in or receive funds under any program of Federal educational assistance for a period of not less than two institutional fiscal years.

“(ii) REGAINING ELIGIBILITY.—To regain eligibility to participate in or receive funds under any program of Federal educational assistance after being ineligible pursuant to clause (i), a proprietary insti-
tion of higher education shall demonstrate compliance with all eligibility and certification requirements for the program for a minimum of two consecutive institutional fiscal years after the institutional fiscal year in which the institution became ineligible. In order to regain eligibility to participate in any program of Federal educational assistance under this title, such compliance shall include meeting the requirements of section 498 for such 2-year period.

“(iii) Notification of Ineligibility.—The Secretary of Education shall determine when a proprietary institution of higher education that receives funds under this title is ineligible under clause (i) and shall notify all other administering Secretaries of the determination.

“(iv) Enforcement.—Each administering Secretary for a program of Federal educational assistance shall enforce the requirements of this subparagraph for the program concerned upon receiving notification under clause (iii) of a proprietary
institution of higher education’s ineligibility.”; and

(ii) in subparagraph (B)—

(I) in the matter preceding clause

(i)—

(aa) by striking “In addition” and all that follows through “education fails” and inserting “Notwithstanding any other provision of law, in addition to such other means of enforcing the requirements of a program of Federal educational assistance as may be available to the administering Secretary, if a proprietary institution of higher education that receives funds provided under this title fails”; and

(bb) by striking “the programs authorized by this title” and inserting “all programs of Federal educational assistance”; and

(II) in clause (i), by inserting

“with respect to a program of Federal
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educational assistance under this

(D) in paragraph (4)(A), by striking

“sources under this title” and inserting “Fed-

eral educational assistance”; and

(E) by adding at the end the following:

“(5) DEFINITIONS.—In this subsection:

“(A) ADMINISTERING SECRETARY.—The
term ‘administering Secretary’ means the Sec-
retary of Education, the Secretary of Defense,
the Secretary of Veterans Affairs, the Secretary
of Homeland Security, or the Secretary of a
military department responsible for admin-
istering the Federal educational assistance con-
cerned.

“(B) FEDERAL EDUCATIONAL ASSIST-
ANCE.—The term ‘Federal educational assist-
ance’ means funds provided under any of the
following provisions of law:

“(i) This title.

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

“(iii) Chapter 101, 105, 106A, 1606,
1607, or 1608 of title 10, United States
Code.
“(iv) Section 1784a of title 10, United States Code.”.

SEC. 12. DEPARTMENT OF DEFENSE AND DEPARTMENT OF VETERANS AFFAIRS ACTIONS ON INELIGIBILITY OF CERTAIN PROPRIETARY INSTITUTIONS OF HIGHER EDUCATION FOR PARTICIPATION IN PROGRAMS OF EDUCATIONAL ASSISTANCE.

(a) DEPARTMENT OF DEFENSE.—

(1) IN GENERAL.—Chapter 101 of title 10, United States Code, is amended by inserting after section 2008 the following new section:

“§ 2008a. Ineligibility of certain proprietary institutions of higher education for participation in Department of Defense programs of educational assistance

“(a) IN GENERAL.—Upon receipt of a notice from the Secretary of Education under clause (iii) of section 487(d)(2)(A) of the Higher Education Act of 1965 (20 U.S.C. 1094(d)(2)(A)) that a proprietary institution of higher education is ineligible for participation in or receipt of funds under any program of Federal educational assistance by reason of such section, the Secretary of Defense shall ensure that no educational assistance under the provisions of law specified in subsection (b) is available or
used for education at the institution for the period of institutional fiscal years covered by such notice.

“(b) COVERED ASSISTANCE.—The provisions of law specified in this subsection are the provisions of law on educational assistance through the Department of Defense as follows:

“(1) This chapter.

“(2) Chapters 105, 106A, 1606, 1607, and 1608 of this title.

“(3) Section 1784a of this title.

“(c) NOTICE ON INELIGIBILITY.—(1) The Secretary of Defense shall take appropriate actions to notify persons receiving or eligible for educational assistance under the provisions of law specified in subsection (b) of the application of the limitations in section 487(d)(2) of the Higher Education Act of 1965 to particular proprietary institutions of higher education.

“(2) The actions taken under this subsection with respect to a proprietary institution shall include publication, on the Internet website of the Department of Defense that provides information to persons described in paragraph (1), of the following:

“(A) The name of the institution.
“(B) The extent to which the institution failed to meet the requirements of section 487(a)(24) of the Higher Education Act of 1965.

“(C) The length of time the institution will be ineligible for participation in or receipt of funds under any program of Federal educational assistance by reason of section 487(d)(2)(A) of that Act.

“(D) The nonavailability of educational assistance through the Department for enrollment, attendance, or pursuit of a program of education at the institution by reason of such ineligibility.”.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 101 of such title is amended by inserting after the item relating to section 2008 the following new item:

“2008a. Ineligibility of certain proprietary institutions of higher education for participation in Department of Defense programs of educational assistance.”.

(b) DEPARTMENT OF VETERANS AFFAIRS.—

(1) IN GENERAL.—Subchapter II of chapter 36 of title 38, United States Code, is amended by inserting after section 3681 the following new section:
§ 3681A. Ineligibility of certain proprietary institutions of higher education for participation in Department of Veterans Affairs programs of educational assistance

(a) In General.—Upon receipt of a notice from the Secretary of Education under clause (iii) of section 487(d)(2)(A) of the Higher Education Act of 1965 (20 U.S.C. 1094(d)(2)(A)) that a proprietary institution of higher education is ineligible for participation in or receipt of funds under any program of Federal educational assistance by reason of such section, the Secretary of Veterans Affairs shall ensure that no educational assistance under the provisions of law specified in subsection (b) is available or used for education at the institution for the period of institutional fiscal years covered by such notice.

(b) Covered Assistance.—The provisions of law specified in this subsection are the provisions of law on educational assistance through the Department under chapters 30, 31, 32, 33, 34, and 35 of this title.

(c) Notice on Ineligibility.—(1) The Secretary of Veterans Affairs shall take appropriate actions to notify persons receiving or eligible for educational assistance under the provisions of law specified in subsection (b) of the application of the limitations in section 487(d)(2) of the Higher Education Act of 1965 to particular proprietary institutions of higher education.
“(2) The actions taken under this subsection with respect to a proprietary institution shall include publication, on the Internet website of the Department that provides information to persons described in paragraph (1), of the following:

“(A) The name of the institution.

“(B) The extent to which the institution failed to meet the requirements of section 487(a)(24) of the Higher Education Act of 1965.

“(C) The length of time the institution will be ineligible for participation in or receipt of funds under any program of Federal educational assistance by reason of section 487(d)(2)(A) of that Act.

“(D) The nonavailability of educational assistance through the Department for enrollment, attendance, or pursuit of a program of education at the institution by reason of such ineligibility.”.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 36 of such title is amended by inserting after the item relating to section 3681 the following new item:

“3681A. Ineligibility of certain proprietary institutions of higher education for participation in Department of Veterans Affairs programs of educational assistance.”.