

116TH CONGRESS  
1ST SESSION

# H. R. 5241

To provide consumer protections for students.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 21, 2019

Mr. KRISHNAMOORTHY introduced the following bill; which was referred to the Committee on Education and Labor, and in addition to the Committees on Armed Services, and Veterans' Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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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. DEFINITIONS.**

7 In this Act:

8 (1) **FEDERAL FINANCIAL ASSISTANCE PRO-**  
9 **GRAM.**—The term “Federal financial assistance pro-  
10 gram” means a program authorized and funded by

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

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

5 (B) Title I of the Workforce Innovation  
6 and Opportunity Act (29 U.S.C. 3111 et seq.).

7 (C) The Adult Education and Family Lit-  
8 eracy Act (29 U.S.C. 3271 et seq.).

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

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

13 (F) Section 1784a, 2005, or 2007 of title  
14 10, United States Code.

15 (2) FREELY ASSOCIATED STATES.—The term  
16 “freely associated States” means the Republic of the  
17 Marshall Islands, the Federated States of Micro-  
18 nesia, and the Republic of Palau.

19 (3) INSTITUTION OF HIGHER EDUCATION.—The  
20 term “institution of higher education”—

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

1 (B) with respect to a program authorized  
2 under paragraph (1)(B), has the meaning given  
3 the term in section 3 of the Workforce Innova-  
4 tion and Opportunity Act (29 U.S.C. 3102);

5 (C) with respect to a program authorized  
6 under paragraph (1)(C), has the meaning given  
7 the term “postsecondary educational institu-  
8 tion” under section 203 of the Adult Education  
9 and Family Literacy Act (29 U.S.C. 3272);

10 (D) with respect to a program authorized  
11 under paragraph (1)(D), has the meaning given  
12 the term “educational institution” under section  
13 3452 of title 38, United States Code;

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

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

22 (4) STATE.—The term “State” includes, in ad-  
23 dition to the several States of the United States, the  
24 Commonwealth of Puerto Rico, the District of Co-  
25 lumbia, Guam, American Samoa, the United States

1 Virgin Islands, the Commonwealth of the Northern  
2 Mariana Islands, and the freely associated States.

3 **SEC. 3. PROTECTIONS IN OCCUPATIONS REQUIRING STATE**  
4 **LICENSURE.**

5 Notwithstanding any other provision of law, an insti-  
6 tution of higher education is not eligible to participate in  
7 a Federal financial assistance program with respect to any  
8 program of postsecondary education or training, including  
9 a degree or certificate program and any program offered  
10 by distance education or correspondence courses to stu-  
11 dents located in a State other than where the institution  
12 is physically located, that is designed to prepare students  
13 for entry into a recognized occupation or profession that  
14 requires licensing or other established requirements as a  
15 pre-condition for entry into such occupation or profession,  
16 unless, by not later than 1 year after the date of enact-  
17 ment of this Act—

18 (1) the successful completion of the program  
19 fully qualifies a student, in the metropolitan statis-  
20 tical area in which the student resides, in the State  
21 in which the student resides, and in any State in  
22 which the institution indicates, through advertising  
23 or marketing activities or direct contact with poten-  
24 tial students, that a student will be prepared to work

1 in the occupation or profession after successfully  
2 completing the program, to—

3 (A) take any examination required for  
4 entry into the recognized occupation or profes-  
5 sion in the metropolitan statistical area and any  
6 State described in this paragraph, including  
7 satisfying all Federal, State, or professionally  
8 mandated programmatic and specialized accred-  
9 itation requirements, if any; and

10 (B) be certified or licensed or meet any  
11 other academically related pre-conditions that  
12 are required for entry into the recognized occu-  
13 pation or profession in any such State; and

14 (2) the institution offering the program pro-  
15 vides timely placement for all of the academically re-  
16 lated pre-licensure requirements for entry into the  
17 recognized occupation or profession, such as clinical  
18 placements, internships, or apprenticeships.

19 **SEC. 4. CERTIFICATION REQUIREMENTS FOR GAINFUL EM-**  
20 **PLOYMENT PROGRAMS.**

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

23 (1) in subsection (a), by adding at the end the  
24 following:

25 “(30) The institution will—

1           “(A) provide to the Secretary not later  
2           than the first December 31 following the date  
3           of enactment of the Protecting Students from  
4           Worthless Degrees Act (or, for any institution  
5           that does not have an active program participa-  
6           tion agreement as of such date, the first De-  
7           cember 31 after the institution enters into the  
8           agreement), in accordance with procedures es-  
9           tablished by the Secretary, a certification  
10          signed by the most senior executive officer of  
11          the institution that the institution and each of  
12          the eligible gainful employment programs in-  
13          cluded on the eligibility and certification ap-  
14          proval report of the institution meets the re-  
15          quirements of subsection (k);

16          “(B) include with its certification an expla-  
17          nation of how each eligible gainful employment  
18          program is not substantially similar to any in-  
19          eligible or discontinued program described in  
20          subsection (k)(2)(D); and

21          “(C) update the certification within 10  
22          days if there are any changes in the approvals  
23          for an eligible gainful employment program, or  
24          other changes for an eligible gainful employ-

1           ment program that make the existing certifi-  
2           cation no longer accurate.”; and

3           (2) by adding at the end the following:

4           “(k) CERTIFICATION REQUIREMENTS FOR GAINFUL  
5 EMPLOYMENT PROGRAMS.—

6           “(1) DEFINITION OF GAINFUL EMPLOYMENT  
7 PROGRAM.—The term ‘gainful employment program’  
8 means a program of training that—

9           “(A) in order to qualify for assistance  
10 under this title, is required under subsection  
11 (b)(1)(A)(i) or (c)(1)(A) of section 102, or sec-  
12 tion 101(b)(1), to satisfy gainful employment  
13 requirements; and

14           “(B) is offered by an institution eligible to  
15 receive assistance under this title.

16           “(2) IN GENERAL.—Each eligible gainful em-  
17 ployment program included on the eligibility and cer-  
18 tification approval report of an institution of higher  
19 education shall comply with each of the following:

20           “(A) The gainful employment program is  
21 approved by a recognized accrediting agency or  
22 is otherwise included in the institution’s accred-  
23 itation by its recognized accrediting agency, or,  
24 if the institution is a public postsecondary voca-  
25 tional institution, the program is approved by a

1 recognized State agency for the approval of  
2 public postsecondary vocational education in  
3 lieu of accreditation.

4 “(B) The gainful employment program is  
5 programmatically accredited, if such accredita-  
6 tion is required by—

7 “(i) a Federal governmental entity;

8 “(ii) a governmental entity in the  
9 State in which the institution is located; or

10 “(iii) a governmental entity in a State  
11 in which the institution is not physically lo-  
12 cated, if the institution—

13 “(I) offers postsecondary edu-  
14 cation through distance education or  
15 correspondence courses to students lo-  
16 cated in that State; or

17 “(II) is otherwise subject to that  
18 State’s jurisdiction, as determined by  
19 that State.

20 “(C) The gainful employment program sat-  
21 isfies the applicable educational prerequisites  
22 for professional licensure or certification re-  
23 quirements in the State in which the institution  
24 is located or a State described in subparagraph  
25 (B)(iii), so that a student who completes the



1 program and seeks employment in any such  
2 State qualifies to take any licensure or certifi-  
3 cation examination that is needed for the stu-  
4 dent to practice or find employment in an occu-  
5 pation that the program prepares students to  
6 enter.

7 “(D) The gainful employment program is  
8 not substantially similar to a program offered  
9 by the institution that, in any of the 3 years  
10 prior to the date of the eligibility and certifi-  
11 cation approval report, became ineligible for  
12 funding under this title due to the debt to earn-  
13 ing rates measure, or any subsequent outcome  
14 measure, or was failing, in the zone, or other-  
15 wise close to failing with respect to, the debt to  
16 earning rates measure, or any subsequent out-  
17 come measure, and was voluntarily discontinued  
18 by the institution.

19 “(3) REQUIREMENTS ENSURING STUDENT  
20 AWARENESS.—Before an institution offering a gain-  
21 ful employment program enrolls any student who in-  
22 tends to reside, practice, or seek employment in a  
23 State for which the program does not satisfy the ap-  
24 plicable educational prerequisites for professional li-

1       censure or certification requirements needed for that  
2       occupation in that State, the institution shall—

3               “(A) notify the student that the gainful  
4       employment program does not satisfy the pre-  
5       requisites; and

6               “(B) obtain from the student a hand-  
7       written statement, in the student’s own words  
8       and signed by the student, acknowledging that  
9       the student wishes to enroll in the gainful em-  
10      ployment program despite knowing that the  
11      gainful employment program does not meet the  
12      licensure or certification requirements for the  
13      occupation in the State in which the student in-  
14      tends to reside, practice, or seek employment.

15              “(4) REQUIREMENTS REGARDING REESTAB-  
16      LISHMENT OF ELIGIBILITY.—The institution shall  
17      not seek to reestablish the eligibility of a gainful em-  
18      ployment program that is ineligible for funding  
19      under this subsection until not less than 3 years fol-  
20      lowing the date specified in the notice of determina-  
21      tion informing the institution of the program’s ineli-  
22      gibility.”.

1 **SEC. 5. STATE AUTHORIZATION REQUIREMENTS FOR DIS-**  
2 **TANCE EDUCATION PROGRAMS.**

3 Section 101 of the Higher Education Act of 1965 (20  
4 U.S.C. 101(a)) is amended—

5 (1) in subsection (a)(2), by inserting “, in ac-  
6 cordance with subsection (d)” before the semicolon;  
7 and

8 (2) by adding at the end the following:

9 “(d) STATE AUTHORIZATION.—

10 “(1) IN GENERAL.—An institution that offers  
11 postsecondary education through distance education  
12 or correspondence courses shall meet the require-  
13 ments of subsection (a)(2) by being legally author-  
14 ized within each State in which the institution’s en-  
15 rolled students are located, subject to paragraph (2).

16 “(2) STATE RECIPROCITY AGREEMENTS.—An  
17 institution described in paragraph (1) that is located  
18 in a State that participates in a State authorization  
19 reciprocity agreement with another State and that is  
20 covered by such State authorization reciprocity  
21 agreement, is considered to meet State requirements  
22 for the institution to be legally offering postsec-  
23 ondary distance education or correspondence courses  
24 in the other State—

25 “(A) subject to any additional require-  
26 ments of that State; and

1 “(B) if the institution documents, in the  
 2 manner required by the Secretary, that each  
 3 State in which the institution’s enrolled stu-  
 4 dents are located has a State process—

5 “(i) to review and take appropriate  
 6 action on complaints from any of such en-  
 7 rolled students concerning the institution,  
 8 including enforcing applicable State law;  
 9 and

10 “(ii) to make the complaints public.

11 “(3) STATE AUTHORIZATION RECIPROCITY  
 12 AGREEMENT DEFINED.—In this subsection, the term  
 13 ‘State authorization reciprocity agreement’ means an  
 14 agreement between 2 or more States that—

15 “(A) authorizes an institution located and  
 16 legally authorized in a State covered by the  
 17 agreement to provide postsecondary education  
 18 through distance education or correspondence  
 19 courses to students located in other States cov-  
 20 ered by the agreement; and

21 “(B) does not prohibit any State in the  
 22 agreement from enforcing the State’s own stat-  
 23 utes and regulations, regardless as to whether  
 24 such statutes and regulations are general and  
 25 apply to all educational institutions or specifi-

1 cally directed at a subset of educational institu-  
2 tions.”.

