

116TH CONGRESS
1ST SESSION

H. R. 4012

To amend the Higher Education Act of 1965 and title 38, United States Code, to conduct risk analyses regarding certain educational institutions receiving payments under the Department of Education heightened cash monitoring payment method, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 25, 2019

Mr. CUMMINGS (for himself and Mr. YOHIO) introduced the following bill; which was referred to the Committee on Education and Labor, and in addition to the Committee on 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

A BILL

To amend the Higher Education Act of 1965 and title 38, United States Code, to conduct risk analyses regarding certain educational institutions receiving payments under the Department of Education heightened cash monitoring payment method, 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 “Safeguarding Student
5 Veterans Act”.

1 **SEC. 2. DEPARTMENT OF EDUCATION HEIGHTENED CASH**
2 **MONITORING STATUS.**

3 Section 487(c) of the Higher Education Act of 1965
4 (20 U.S.C. 1094(c)) is amended by adding at the end the
5 following:

6 “(8) In a case in which, pursuant to paragraph
7 (1)(B), the Secretary makes payments to an eligible
8 institution using the heightened cash monitoring
9 payment method due to the determination that the
10 institution fails to meet reasonable standards of fi-
11 nancial responsibility or appropriate institutional ca-
12 pability for the administration of a program of stu-
13 dent financial aid under this title, not later than 5
14 days after such determination with respect to the in-
15 stitution and on an ongoing basis thereafter, the
16 Secretary of Education shall provide to the Sec-
17 retary of Veterans Affairs—

18 “(A) notice of such determination; and

19 “(B) any information submitted to the
20 Secretary of Education by the eligible institu-
21 tion for purposes of such payment method.”.

1 **SEC. 3. DEPARTMENT OF VETERANS AFFAIRS RISK ANAL-**
2 **YSIS AND NOTICE TO STUDENTS REGARDING**
3 **DEPARTMENT OF EDUCATION CASH PAY-**
4 **MENT MONITORING OF EDUCATIONAL INSTI-**
5 **TUTIONS.**

6 (a) IN GENERAL.—Chapter 36 of title 38, United
7 States Code, is amended by adding at the end the fol-
8 lowing new section:

9 **“§ 3699B. Risk analysis and notice to students regard-**
10 **ing Department of Education cash pay-**
11 **ment monitoring of educational institu-**
12 **tions**

13 “(a) RISK ANALYSIS.—(1) In the case of any covered
14 educational institution, the Secretary of Veterans Affairs
15 shall conduct an analysis of the risk posed by the school
16 to students using entitlement to educational assistance
17 under the laws administered by the Secretary. Such risk
18 analysis shall include the following risk factors:

19 “(A) Rapid increases in veteran enrollment.

20 “(B) Increases in the amount of benefits per
21 capita.

22 “(C) Volume of student complaints.

23 “(D) Rates of Federal student loan defaults of
24 veterans.

25 “(E) Veteran completion rates.

1 “(F) Deficiencies identified by accreditors and
2 other State agencies.

3 “(G) Deficiencies in Department of Veterans
4 Affairs program administration compliance.

5 “(2) The Secretary shall complete such risk analysis
6 by not later than 30 days after the date on which the Sec-
7 retary receives the notice referred to in paragraph (3)(A).

8 “(3) In this subsection, a covered educational institu-
9 tion is an educational institution—

10 “(A) for which the Secretary receives notice
11 from the Secretary of Education under section
12 487(c)(8) of the Higher Education Act of 1965 (20
13 U.S.C. 1094(c)(8)) that an educational institution is
14 receiving payments under the heightened cash moni-
15 toring payment method due to the determination
16 that the institution fails to meet reasonable stand-
17 ards of financial responsibility or appropriate insti-
18 tutional capability for the administration of a pro-
19 gram of student financial aid; and

20 “(B) where 20 or more individuals are pursuing
21 a course or program of education using educational
22 assistance under chapter 30, 32, 33, or 35 of this
23 title, or chapter 1606 or 1607 of title 10.

1 “(b) NOTICE.—Not later than 15 days after com-
2 pleting a risk analysis under subsection (a), the Secretary
3 of Veterans Affairs shall—

4 “(1) provide notice of such determination to
5 any individual who is pursuing a course or program
6 of education at such educational institution using
7 the individual’s entitlement to educational assistance
8 under chapter 30, 32, 33, or 35 of this title, or
9 chapter 1606 or 1607 of title 10; and

10 “(2) publish such notice on an appropriate
11 website of the Department, including as part of the
12 GI Bill Comparison tool, or any successor.”.

13 (b) CLERICAL AMENDMENT.—The table of sections
14 at the beginning of such chapter is amended by adding
15 at the end the following new item:

 “3699B. Risk analysis and notice to students regarding Department of Edu-
 cation cash payment monitoring of educational institutions.”.

