112TH CONGRESS
2D SESSION

S. _____

To provide consumer protections for students.

IN THE SENATE OF THE UNITED STATES

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

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) IN GENERAL.—

(1) DEFINITIONS.—In this section:

(A) 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:

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

(ii) Title I of the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.).

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

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

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

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

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

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

(ii) with respect to a program authorized under subparagraph (A)(ii), 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);

(iii) with respect to a program authorized under subparagraph (A)(iii), has the meaning given the term ''postsecondary educational institution'' as defined in section 203 of the Adult Education and Family Literacy Act (20 U.S.C. 9202);

(iv) with respect to a program authorized under subparagraph (A)(iv), has the meaning given the term ''educational institution'' under section 3452 of title 38, United States Code;

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

(vi) with respect to a program authorized under subparagraph (A)(vi), means an educational institution that awards a de-

gree or certificate and is located in any State.

(C) STATE.—

(i) 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.

(ii) 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.

(2) 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—

(A) the successful completion of the program fully qualifies a student, in the State in which the institution offering the program is located (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—

(i) take any examination required for entry into the recognized occupation or profession in the State, including satisfying all State or professionally-mandated programmatic and specialized accreditation requirements, if any; and

(ii) 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;

(B) 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 in the State, such as clinical placements, internships, or apprenticeships;

(C) in the case of State licensing or professionally-mandated requirements for entry into the recognized occupation or profession in the State in which the institution offering the program is located (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) that require specialized accreditation—

(i) the program meets that requirement for specialized accreditation through its accreditation or pre-accreditation by an accrediting agency or association recognized by the Secretary of Education as a reliable authority as to the quality or training offered by the institution in that program; and

(ii) if the program is in a pre-accredited, probation, or show cause status by an accrediting agency or association described

in clause (i), and the requirement for specialized accreditation is for full accreditation, the institution—

(I) establishes, to the satisfaction of the Secretary of Education, that each student who enrolls before the program is fully accredited attests of being advised that the program is in a pre-accredited, probation, or show cause status and of being informed of the effect on the student's eligibility for assistance under this title and on the student's ability to satisfy State or professionally-mandated requirements for entry into the recognized occupation or profession if full accreditation is delayed, denied, terminated, or withdrawn; and

(II) publicly and prominently discloses in any advertising, marketing, or recruitment materials and activities for the institution, the institution's pre-accredited, probation, or show cause status and the implications of

such status for prospective students; and

(D) the institution—

(i) discloses on the application to enroll in the institution that its program does not necessarily satisfy out-of-State requirements, if applicable; and

(ii) upon receipt of an application to enroll in the institution, notifies the student, prior to enrollment, if the program in which the student intends to enroll does not satisfy the requirements of the State in which the student is a resident, if applicable.

(b) EFFECTIVE DATE.—This section shall be effective 6 months after the date of enactment of this Act.