

113TH CONGRESS  
1ST SESSION

# H. R. 2637

To prohibit the Secretary of Education from engaging in regulatory overreach with regard to institutional eligibility under title IV of the Higher Education Act of 1965, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

JULY 10, 2013

Ms. FOXX (for herself, Mr. KLINE, and Mr. HASTINGS of Florida) introduced the following bill; which was referred to the Committee on Education and the Workforce

---

## A BILL

To prohibit the Secretary of Education from engaging in regulatory overreach with regard to institutional eligibility under title IV of the Higher Education Act of 1965, 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 “Supporting Academic  
5 Freedom through Regulatory Relief Act”.

6 **SEC. 2. REGULATORY RELIEF.**

7 (a) REGULATIONS REPEALED.—

1           (1) REPEAL.—The following regulations (in-  
2           cluding any supplement or revision to such regula-  
3           tions) are repealed and shall have no legal effect:

4                   (A) STATE AUTHORIZATION.—Sections  
5           600.4(a)(3), 600.5(a)(4), 600.6(a)(3), 600.9,  
6           and 668.43(b) of title 34, Code of Federal Reg-  
7           ulations (relating to State authorization), as  
8           added or amended by the final regulations pub-  
9           lished by the Department of Education in the  
10          Federal Register on October 29, 2010 (75 Fed.  
11          Reg. 66832 et seq.).

12                   (B) DEFINITION OF CREDIT HOUR.—The  
13          definition of the term “credit hour” in section  
14          600.2 of title 34, Code of Federal Regulations,  
15          as added by the final regulations published by  
16          the Department of Education in the Federal  
17          Register on October 29, 2010 (75 Fed. Reg.  
18          66946), and clauses (i)(A), (ii), and (iii) of sub-  
19          section (k)(2) of section 668.8 of such title, as  
20          amended by such final regulations (75 Fed.  
21          Reg. 66949 et seq.).

22                   (C) GAINFUL EMPLOYMENT.—Sections  
23          600.10(c), 600.20(d), 668.6, and 668.7, of title  
24          34, Code of Federal Regulations as added or  
25          amended by the final regulations published by

1 the Department of Education in the Federal  
2 Register on October 29, 2010 (75 Fed. Reg.  
3 66832 et seq. and 75 Fed. Reg. 66665 et seq.)  
4 and June 13, 2011 (76 Fed. Reg. 34386 et  
5 seq.).

6 (2) EFFECT OF REPEAL.—To the extent that  
7 regulations repealed by paragraph (1) amended reg-  
8 ulations that were in effect on June 30, 2011, the  
9 provisions of the regulations that were in effect on  
10 June 30, 2011, and were so amended are restored  
11 and revived as if the regulations repealed by para-  
12 graph (1) had not taken effect.

13 (b) REGULATIONS PROHIBITED.—

14 (1) STATE AUTHORIZATION AND GAINFUL EM-  
15 PLOYMENT.—

16 (A) IN GENERAL.—The Secretary of Edu-  
17 cation shall not, during the period described in  
18 subparagraph (B), promulgate or enforce any  
19 regulation or rule not in effect on the date of  
20 enactment of this Act for any purpose under  
21 the Higher Education Act of 1965 (20 U.S.C.  
22 1001 et seq.) with respect to—

23 (i) the State authorization for institu-  
24 tions of higher education to operate within  
25 a State; or

1 (ii) the definition or application of the  
2 term “gainful employment”.

3 (B) PERIOD OF PROHIBITION.—The period  
4 during which the Secretary is prohibited from  
5 promulgating or enforcing a regulation de-  
6 scribed in subparagraph (A) shall be the period  
7 beginning on the date of enactment of this Act  
8 and ending on the date of enactment of a law  
9 that extends by not less than 2 fiscal years the  
10 authorization or duration of one or more pro-  
11 grams under the Higher Education Act of 1965  
12 (20 U.S.C. 1001 et seq.).

13 (2) CREDIT HOUR.—The Secretary of Edu-  
14 cation shall not, on or after the date of enactment  
15 of this Act, promulgate or enforce any regulation or  
16 rule with respect to the definition of the term “cred-  
17 it hour” for any purpose under the Higher Edu-  
18 cation Act of 1965 (20 U.S.C. 1001 et seq.).

19 **SEC. 3. THIRD-PARTY SERVICE PROVIDERS.**

20 Section 487(a)(20) of the Higher Education Act of  
21 1965 (20 U.S.C. 1094(a)(20)) is amended by adding at  
22 the end the following: “Notwithstanding the preceding  
23 sentence, an institution described in section 101 may pro-  
24 vide payment, based on the amount of tuition generated  
25 by the institution from student enrollment, to a third-

1 party entity that provides a set of services to the institu-  
2 tion that includes student recruitment services, regardless  
3 of whether the third-party entity is affiliated with an insti-  
4 tution that provides educational services other than the  
5 institution providing such payment, if—

6           “(A) the third-party entity is not affiliated  
7 with the institution providing such payment;

8           “(B) the third-party entity does not make  
9 compensation payments to its employees that  
10 are prohibited under this paragraph;

11           “(C) the set of services provided to the in-  
12 stitution by the third-party entity include serv-  
13 ices in addition to student recruitment services,  
14 and the institution does not pay the third-party  
15 entity solely or separately for student recruit-  
16 ment services provided by the third-party enti-  
17 ty; and

18           “(D) any student recruitment information  
19 available to the third-party entity, including  
20 personally identifiable information, will not be  
21 used by, shared with, or sold to any other per-  
22 son or entity, including any institution that is  
23 affiliated with the third-party entity.”.

○