

CAREER-READY STUDENT VETERANS ACT

NOVEMBER 16, 2015.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. MILLER of Florida, from the Committee on Veterans' Affairs, submitted the following

R E P O R T

[To accompany H.R. 2360]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 2360) to amend title 38, United States Code, to improve the approval of certain programs of education for purposes of educational assistance provided by the Department of Veterans Affairs, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

CONTENTS

	Page
Amendment	2
Purpose and Summary	3
Background and Need for Legislation	3
Hearings	4
Subcommittee Consideration	5
Committee Consideration	5
Committee Votes	5
Committee Oversight Findings	5
Statement of General Performance Goals and Objectives	5
New Budget Authority, Entitlement Authority, and Tax Expenditures	6
Earmarks and Tax and Tariff Benefits	6
Committee Cost Estimate	6
Congressional Budget Office Estimate	6
Federal Mandates Statement	7
Advisory Committee Statement	7
Constitutional Authority Statement	7
Applicability to Legislative Branch	7
Statement on Duplication of Federal Programs	7
Disclosure of Directed Rulemaking	8
Section-by-Section Analysis of the Legislation	8
Changes in Existing Law Made by the Bill as Reported	9

AMENDMENT

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Career-Ready Student Veterans Act”.

SEC. 2. APPROVAL OF COURSES FOR PURPOSES OF EDUCATIONAL ASSISTANCE PROGRAMS ADMINISTERED BY SECRETARY OF VETERANS AFFAIRS.

(a) APPROVAL OF NON-ACCREDITED COURSES.—Subsection (c) of section 3676 of title 38, United States Code, is amended—

(1) by redesignating paragraph (14) as paragraph (16); and

(2) by inserting after paragraph (13) the following new paragraphs:

“(14) In the case of a program designed to prepare an individual for licensure or certification in a State, the program meets any instructional curriculum licensure or certification requirements of such State.

“(15) In the case of a program designed to prepare an individual for employment pursuant to standards developed by a board or agency of a State in an occupation that requires approval or licensure, the program is approved or licensed by such board or agency of the State.”.

(b) EXCEPTIONS.—Such section is further amended by adding at the end the following new subsection:

“(f)(1) The Secretary may waive the requirements of paragraph (14) or (15) of subsection (c) in the case of a program of education offered by an educational institution if the Secretary determines all of the following:

“(A) The educational institution is not accredited by an agency or association recognized by the Secretary of Education.

“(B) The program did not meet the requirements of such paragraph at any time during the two-year period preceding the date of the waiver.

“(C) The waiver furthers the purposes of the educational assistance programs administered by the Secretary or would further the education interests of individuals eligible for assistance under such programs.

“(D) The educational institution does not provide any commission, bonus, or other incentive payment based directly or indirectly on success in securing enrollments or financial aid to any persons or entities engaged in any student recruiting or admission activities or in making decisions regarding the award of student financial assistance, except for the recruitment of foreign students residing in foreign countries who are not eligible to receive Federal student assistance.

“(2) Not later than 30 days after the Secretary issues a waiver under paragraph (1), the Secretary shall submit to Congress notice of the waiver and the justification of the Secretary for issuing the waiver.”.

(c) APPROVAL OF ACCREDITED PROGRAMS.—Section 3675(b)(3) of such title is amended—

(1) by striking “and (3)” and inserting “(3), (14), and (15)”; and

(2) by inserting before the period at the end the following: “(or, with respect to such paragraphs (14) and (15), the requirements under such paragraphs are waived pursuant to subsection (f) of section 3676)”.

(d) DISAPPROVAL OF COURSES.—Section 3679 of such title is amended by adding at the end the following new subsection:

“(d) Notwithstanding any other provision of this chapter, the Secretary shall disapprove a course of education described in section 3676(c)(14) or (15) unless the educational institution providing the course of education publicly discloses any conditions or additional requirements, including training, experience, or exams, required to obtain the license, certification, or approval for which the course of education is designed to provide preparation.”.

(e) CONFORMING AMENDMENT.—Section 3672(b)(2)(A)(i) of such title is amended by striking “An accredited” and inserting “Except as provided in paragraphs (14) and (15) of section 3676(c) of this title, an accredited”.

(f) APPLICABILITY.—If after enrollment in a course of education that is subject to disapproval by reason of an amendment made by this Act, an individual pursues one or more courses of education at the same educational institution while remaining continuously enrolled (other than during regularly scheduled breaks between courses, semesters or terms) at that institution, any course so pursued by the individual at that institution while so continuously enrolled shall not be subject to disapproval by reason of such amendment.

PURPOSE AND SUMMARY

H.R. 2360, “Career-Ready Student Veterans Act,” was introduced by Representative Mark Takano of California on May 15, 2015. H.R. 2360, as amended, was ordered to be favorably reported to the full House by the Committee on Veterans Affairs on September 17, 2015, and would require that, in order to be eligible for G.I. Bill benefits, a program that requires a licensing or credentialing test at the end of the program must be accredited by the association that administers the test.

BACKGROUND AND NEED FOR LEGISLATION

Section 1. Short title

This Section provides the short title for this bill to be the “Career-Ready Student Veterans Act.”

Section 2. Approval of courses for purposes of Educational Assistance Programs administered by the Secretary of Veterans Affairs

Chapter 3672 of Title 38, U.S.C., sets requirements for education and training programs to be eligible for veterans education benefits provided by the U.S. Department of Veterans Affairs (VA). State Approving Agencies review programs accreditation and other factors to ensure that veterans attend programs of sufficient quality. There are different types of accreditation and, while national and regional accreditation bestowed on schools and training programs are sufficient for most fields of study, some professions require an even higher level of accreditation to be successful or gain entry into the career field. Some schools may meet national and regional accreditation standards, while individual programs of education may not meet the programmatic standard that many States require for certain licenses and certifications. The Committee found that this can lead to student veterans using their Post-9/11 G.I. Bill benefits for a program of education which will not allow them to receive the necessary credentials or take the necessary tests to practice in the career field they used their benefits to study for. At the Subcommittee on Economic Opportunity’s legislative hearing on this bill, held on June 2, 2015, Mr. Brendon Gehrke of the Veterans of Foreign Wars of the United States testified about the problem, stating:

Some schools offer degrees that do not provide graduates the needed credentials to qualify for certain professions. Worse yet, when asked, many of these schools offer prospective students unclear information about programmatic accreditation and the requirements for professional certification. Some schools use terms like “fully accredited,” which in theory may be true, but in reality do not offer the program accreditation needed to gain employment. Unfortunately, student veterans often fall prey to misleading recruiting sales tactics.

At this same hearing, Mr. Steve Gonzalez with The American Legion offered an example of how programmatic accreditation is required for licensed clinical psychologists in the state of Virginia, which requires the applicant to have graduated from a university

that was accredited by the American Psychological Association. He went on to argue that having VA education benefits pay for such a program that does not lead to programmatic accreditation is problematic:

This does not make effective use of GI Bill benefits if an individual uses the benefit to prepare for a licensed or certification occupation, but the program does not meet licensure requirements. This would include the requirement that a program be accredited by a programmatic accrediting agency.

The National Defense Authorization Act for Fiscal Year 2014 (P.L. 113–66; 127 Stat. 672) contained nearly identical language as Section two regarding the Tuition Assistance Program provided to servicemembers by the Department of Defense (DoD). The Committee believes that this section is needed to align with DoD's requirements and to protect veterans to the same extent as servicemembers. Therefore, this Section would amend section 3576(c) of Title 38, U.S.C., to require that programs of education meet state accreditation, licensure or certification standards, if they exist, in order to be eligible to receive Post-9/11 G.I. Bill benefits.

The Committee believes that such a standard is important so that veterans are not shut out of their chosen profession because they used their G.I. Bill benefits on a program that does not meet State requirements. This Section would apply equally to both accredited and non-accredited courses and programs. Section two also provides an appropriate waiver to allow programs that do not meet this requirement to be phased out of G.I. Bill eligibility to protect current students.

HEARINGS

On June 2, 2015 the Subcommittee on Economic Opportunity conducted a legislative hearing on various bills introduced during the 114th Congress, including H.R. 2360. The following witnesses testified:

The Honorable Jeff Miller, U.S. House of Representatives, 1st District of Florida; The Honorable Bill Flores, U.S. House of Representatives, 17th District of Texas; The Honorable Paul Cook, U.S. House of Representatives, 8th District of California; The Honorable Sean Patrick Maloney, U.S. House of Representatives, 18th District of New York; Mr. Paul R. Varela, Assistant National Legislative Director, Disabled American Veterans; Mr. Brendon Gehrke, Senior Legislative Associate of the National Legislative Service, Veterans of Foreign Wars of the United States; Mr. Steve Gonzalez, Assistant Director of the Veterans Employment and Education Division, The American Legion; Mr. David Borer, General Counsel, American Federation of Government Employees, AFL–CIO; Mr. Christopher Neiweem, Legislative Associate, Iraq and Afghanistan Veterans of America; Mr. Rick Weidman, Executive Director of Government Affairs, Vietnam Veterans of America; Mr. Curtis L. Coy, Deputy Under Secretary for Economic Opportunity of the Veterans Benefits Administration, U.S. Department of Veterans Affairs who was accompanied by Ms. Cathy Mitrano, Deputy Assistant Secretary for the Office of Resource Management of the Human Re-

sources and Administration, U.S. Department of Veterans Affairs; Ms. Teresa W. Gerton, Acting Assistant Secretary of the Veterans Employment and Training Service, U.S. Department of Labor; and Dr. Susan S. Kelly, Director of the Transition to Veterans Program Office at the Office of the Under Secretary of Defense for Personnel and Readiness, U.S. Department of Defense.

A statement for the record was submitted by the following:
Paralyzed Veterans of America

SUBCOMMITTEE CONSIDERATION

On June 25, 2015, the Subcommittee on Economic Opportunity met in open markup session, a quorum being present, and favorably forwarded H.R. 2360, as amended, to the Full Committee via voice vote. During consideration of the bills, the following amendment was considered and agreed to by voice vote:

An amendment in the nature of a substitute offered by Mr. Takano of California, which provided the provisions of this bill apply to both accredited and non-accredited courses, grandfathered current programs for two years, and provided authority for VA to waive the requirements of this bill if a program of education met certain requirements.

COMMITTEE CONSIDERATION

On September 17, 2015, the full Committee met in open markup session, a quorum being present, and ordered H.R. 2360, as amended, reported favorably to the House of Representatives, by voice vote.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the record votes on the motion to report the legislation and amendments thereto. There were no recorded votes taken on amendments or in connection with ordering H.R. 2360, as amended, reported to the House. A motion by Ranking Member Corrine Brown of Florida to report H.R. 2360, as amended, favorably to the House of Representatives was agreed to by voice vote.

COMMITTEE OVERSIGHT FINDINGS

In compliance with clause 3(c)(1) of rule XIII and clause (2)(b)(1) of rule X of the Rules of the House of Representatives, the Committees oversight findings and recommendations are reflected in the descriptive portions of this report.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee performance goals and objectives are to further protect the G.I. Bill and ensure that veterans are able to receive the proper training and credentials needed following their education program.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX
EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the estimate of new budget authority, entitlement authority, or tax expenditures or revenues contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

EARMARKS AND TAX AND TARIFF BENEFITS

H.R. 2360, as amended, does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI of the Rules of the House of Representatives.

COMMITTEE COST ESTIMATE

The Committee adopts as its own the cost estimate on H.R. 2360, as amended, prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate for H.R. 2360, as amended, provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 22, 2015.

Hon. JEFF MILLER,
Chairman, Committee on Veterans' Affairs, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 2360, the Career-Ready Student Veterans Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is David Newman.

Sincerely,

KEITH HALL.

Enclosure.

H.R. 2360—Career-Ready Student Veterans Act

The Department of Veterans Affairs (VA) provides eligible military personnel, veterans, and certain family members with educational benefits such as payment for tuition and fees at institutions of higher learning. VA must approve any courses for which those benefits may be used. H.R. 2360 would require certain courses to meet new requirements to be approved. Under the bill, education programs that prepare students for employment in fields that require licensure or certification by a state would have to demonstrate that the courses satisfy state prerequisites or have otherwise been approved by the state. The Secretary of Veterans Affairs could waive that requirement if certain criteria were met.

CBO expects that application of the new criteria would not affect the use of educational benefits. Many courses that fulfil the new requirements are already available and program providers that do not currently meet the criteria would have an incentive to comply in order to accept payment for training VA-funded students. Additionally, beneficiaries can choose from a broad array of approved educational programs to which the new criteria do not apply. Thus, enacting the bill would not significantly affect the availability of licensing or certification programs for the purpose of using educational benefits, and would not affect use of those benefits.

The new criteria for approving education programs would be implemented by state approving agencies. Funding for those agencies is capped in current law at \$19 million a year and we expect that full amount to be spent each year. Therefore, CBO estimates no additional costs for implementing the new criteria.

Enacting H.R. 2360 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting H.R. 2360 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2026.

H.R. 2360 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contact for this estimate is David Newman. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates regarding H.R. 2360, as amended, prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act would be created by H.R. 2360, as amended.

STATEMENT OF CONSTITUTIONAL AUTHORITY

Pursuant to Article I, section 8 of the United States Constitution, the reported bill is authorized by Congress' power to "provide for the common Defense and general Welfare of the United States."

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

STATEMENT ON DUPLICATION OF FEDERAL PROGRAMS

Pursuant to section 3(g) of H. Res. 5, 114th Cong. (2015), the Committee finds that no provision of H.R. 2360, as amended, establishes or reauthorizes a program of the Federal Government known

to be duplicative of another Federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

DISCLOSURE OF DIRECTED RULEMAKING

Pursuant to section 3(i) of H. Res. 5, 114th Cong. (2015), the Committee estimates that H.R. 2360, as amended, contains no directed rule making that would require the Secretary to prescribe regulations.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

Section 1 provides the short title of H.R. 2360, as amended, as the “Career-Ready Student Veterans Act of 2015.”

Section 2. Approval of course for the purposes of Educational Assistance Programs administered by the Secretary of Veterans Affairs

Section 2(a) would amend section 3676 of Title 38, U.S.C., by adding paragraphs 14 and 15, which would require that a non-accredited program designed to prepare an individual for licensure or certification in a state must meet any instructional curriculum licensure or certification requirements of such state.

Section 2(b) would further amend section 3676 of Title 38, U.S.C., to allow the VA Secretary to waive these requirements should the Secretary determine all of the following: (1) the educational institution is accredited by an agency or association recognized by the Secretary of Education; (2) the program did not meet the requirements of such paragraph at any time during the two-year period preceding the date of the waiver; (3) the waiver furthers the purposes of the educational assistance programs administered by the Secretary or would further the education interests of individuals eligible for assistance under such programs; and (4) the educational institution does not provide any commission, bonus, or other incentive payment based directly or indirectly on success in securing enrollments or financial aid to any persons or entities engaged in any student recruiting or admission activities or in making decisions regarding the award of student financial assistance, except for the recruitment of foreign students residing in foreign countries who are not eligible to receive Federal student assistance. This Section would further require that not later than 30 days after the Secretary issues a waiver, VA shall submit to Congress notice of such waiver and the justification of its issuance.

Section 2(c) would amend section 3675(b)(3) of Title 38 U.S.C., to require that an accredited education program meet a state’s licensure of certification requirements as a condition of approval under this Section.

Section 2(d) would require the Secretary to disapprove a course of education described in Sections 2(a) and 2(c) unless the educational institution publicly discloses any conditions or additional requirements, including additional training, experience, or exams,

that will be required to obtain the license, certification or approval for which the course of education was taken.

Section 2(e) includes conforming amendments.

Section 2(f) would allow that, for an individual who remains continuously enrolled in a course of education at the same educational institution, any course that individual pursues shall not be subject to disapproval by reason of the changes made by this Section.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

TITLE 38, UNITED STATES CODE

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PART III—READJUSTMENT AND RELATED BENEFITS

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CHAPTER 36—ADMINISTRATION OF EDUCATIONAL BENEFITS

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SUBCHAPTER I—STATE APPROVING AGENCIES

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§ 3672. Approval of courses

(a) An eligible person or veteran shall receive the benefits of this chapter and chapters 34 and 35 of this title while enrolled in a course of education offered by an educational institution only if (1) such course is approved as provided in this chapter and chapters 34 and 35 of this title by the State approving agency for the State where such educational institution is located, or by the Secretary, or (2) such course is approved (A) for the enrollment of the particular individual under the provisions of section 3536 of this title or (B) for special restorative training under subchapter V of chapter 35 of this title. Approval of courses by State approving agencies shall be in accordance with the provisions of this chapter and chapters 34 and 35 of this title and such other regulations and policies as the State approving agency may adopt. Each State approving agency shall furnish the Secretary with a current list of educational institutions specifying courses which it has approved, and, in addition to such list, it shall furnish such other information to the Secretary as it and the Secretary may determine to be necessary to carry out the purposes of this chapter and chapters 34 and 35 of this title. Each State approving agency shall notify the Secretary of the disapproval of any course previously approved and shall set forth the reasons for such disapproval.

(b)(1) The Secretary shall be responsible for the approval of courses of education offered by any agency of the Federal Government authorized under other laws to supervise such education. The Secretary may approve any course in any other educational institution in accordance with the provisions of this chapter and chapters 34 and 35 of this title.

(2)(A) Subject to sections 3675(b)(1) and (b)(2), 3680A, 3684, and 3696 of this title, the following programs are deemed to be approved for purposes of this chapter:

(i) **[An accredited]** *Except as provided in paragraphs (14) and (15) of section 3676(c) of this title, an accredited standard college degree program offered at a public or not-for-profit proprietary educational institution that is accredited by an agency or association recognized for that purpose by the Secretary of Education.*

(ii) A flight training course approved by the Federal Aviation Administration that is offered by a certified pilot school that possesses a valid Federal Aviation Administration pilot school certificate.

(iii) An apprenticeship program registered with the Office of Apprenticeship (OA) of the Employment Training Administration of the Department of Labor or a State apprenticeship agency recognized by the Office of Apprenticeship pursuant to the Act of August 16, 1937 (popularly known as the “National Apprenticeship Act”; 29 U.S.C. 50 et seq.).

(iv) A program leading to a secondary school diploma offered by a secondary school approved in the State in which it is operating.

(B) A licensure test offered by a Federal, State, or local government is deemed to be approved for purposes of this chapter.

(c)(1) In the case of programs of apprenticeship where—

(A) the apprenticeship standards have been approved by the Secretary of Labor pursuant to section 2 of the Act of August 16, 1937 (popularly known as the “National Apprenticeship Act”) (29 U.S.C. 50a), as a national apprenticeship program for operation in more than one State, and

(B) the training establishment is a carrier directly engaged in interstate commerce which provides such training in more than one State,

the Secretary shall act as a “State approving agency” as such term is used in section 3687(a)(1) of this title and shall be responsible for the approval of all such programs.

(2) The period of a program of apprenticeship may be determined based upon a specific period of time (commonly referred to as a “time-based program”), based upon the demonstration of successful mastery of skills (commonly referred to as a “competency-based program”), or based upon a combination thereof.

(3)(A) In the case of a competency-based program of apprenticeship, State approving agencies shall determine the period for which payment may be made for such a program under chapters 30 and 35 of this title and chapter 1606 of title 10. In determining the period of such a program, State approving agencies shall take into consideration the approximate term of the program recommended in registered apprenticeship program standards recognized by the Secretary of Labor.

(B) The sponsor of a competency-based program of apprenticeship shall provide notice to the State approving agency involved of any such standards that may apply to the program and the proposed approximate period of training under the program.

(4) The sponsor of a competency-based program of apprenticeship shall notify the Secretary upon the successful completion of a program of apprenticeship by an individual under chapter 30 or 35 of this title, or chapter 1606 of title 10, as the case may be.

(d)(1) Pursuant to regulations prescribed by the Secretary in consultation with the Secretary of Labor, the Secretary and State approving agencies shall actively promote the development of apprenticeship and on the job training programs for the purposes of sections 3677 and 3687 of this title and shall utilize the services of disabled veterans' outreach program specialists under section 4103A of this title to promote the development of such programs. The Secretary of Labor shall provide assistance and services to the Secretary, and to State approving agencies, to increase the use of apprenticeships.

(2) In conjunction with outreach services provided by the Secretary under chapter 77 of this title for education and training benefits, each State approving agency shall conduct outreach programs and provide outreach services to eligible persons and veterans about education and training benefits available under applicable Federal and State law.

(e) A program of education exclusively by correspondence, and the correspondence portion of a combination correspondence-residence course leading to a vocational objective, that is offered by an educational institution (as defined in section 3452(c) of this title) may be approved only if (1) the educational institution is accredited by an entity recognized by the Secretary of Education, and (2) at least 50 percent of those pursuing such a program or course require six months or more to complete the program or course.

* * * * *

§ 3675. Approval of accredited courses

(a)(1) The Secretary or a State approving agency may approve accredited programs (including non-degree accredited programs) offered by proprietary for-profit educational institutions when—

(A) such courses have been accredited and approved by a nationally recognized accrediting agency or association;

(B) such courses are conducted under the Act of February 23, 1917 (20 U.S.C. 11 et seq.);

(C) such courses are accepted by the State department of education for credit for a teacher's certificate or a teacher's degree; or

(D) such courses are approved by the State as meeting the requirement of regulations prescribed by the Secretary of Health and Human Services under sections 1819(f)(2)(A)(i) and 1919(f)(2)(A)(i) of the Social Security Act (42 U.S.C. 1395i-3(f)(2)(A)(i) and 1396r(f)(2)(A)(i)).

(2)(A) For the purposes of this chapter, the Secretary of Education shall publish a list of nationally recognized accrediting agencies and associations which that Secretary determines to be reliable authority as to the quality of training offered by an educational institution.

(B) Except as provided in section 3672(e) of this title, a State approving agency may utilize the accreditation of any accrediting association or agency listed pursuant to subparagraph (A) of this paragraph for approval of courses specifically accredited and approved by such accrediting association or agency.

(3)(A) An educational institution shall submit an application for approval of courses to the appropriate State approving agency. In making application for approval, the institution (other than an elementary school or secondary school) shall transmit to the State approving agency copies of its catalog or bulletin which must be certified as true and correct in content and policy by an authorized representative of the institution.

(B) Each catalog or bulletin transmitted by an institution under subparagraph (A) of this paragraph shall—

(i) state with specificity the requirements of the institution with respect to graduation;

(ii) include the information required under paragraphs (6) and (7) of section 3676(b) of this title; and

(iii) include any attendance standards of the institution, if the institution has and enforces such standards.

(b) As a condition of approval under this section, the Secretary or the State approving agency must find the following:

(1) The educational institution keeps adequate records, as prescribed by the Secretary or the State approving agency, to show the progress and grades of the eligible person or veteran and to show that satisfactory standards relating to progress and conduct are enforced.

(2) The educational institution maintains a written record of the previous education and training of the eligible person or veteran that clearly indicates that appropriate credit has been given by the educational institution for previous education and training, with the training period shortened proportionately.

(3) The educational institution and its approved courses meet the criteria of paragraphs (1), (2), ~~and (3)~~ (3), (14), and (15) of section 3676(c) of this title *(or, with respect to such paragraphs (14) and (15), the requirements under such paragraphs are waived pursuant to subsection (f) of section 3676)*.

(c)(1) A State approving agency may approve the entrepreneurship courses offered by a qualified provider of entrepreneurship courses.

(2) For purposes of this subsection, the term “entrepreneurship course” means a non-degree, non-credit course of business education that enables or assists a person to start or enhance a small business concern (as defined pursuant to section 3(a) of the Small Business Act (15 U.S.C. 632(a))).

(3) Subsection (a) and paragraphs (1) and (2) of subsection (b) shall not apply to—

(A) an entrepreneurship course offered by a qualified provider of entrepreneurship courses; and

(B) a qualified provider of entrepreneurship courses by reason of such provider offering one or more entrepreneurship courses.

(4) Notwithstanding paragraph (3), a qualified provider of entrepreneurship courses shall maintain such records as the Secretary determines to be necessary to comply with reporting requirements

that apply under section 3684(a)(1) of this title with respect to eligible persons and veterans enrolled in an entrepreneurship course offered by the provider.

§ 3676. Approval of nonaccredited courses

(a) No course of education which has not been approved by a State approving agency pursuant to section 3675 of this title, which is offered by a public or private, profit or nonprofit, educational institution shall be approved for the purposes of this chapter unless the educational institution offering such course submits to the appropriate State approving agency a written application for approval of such course in accordance with the provisions of this chapter.

(b) Such application shall be accompanied by not less than two copies of the current catalog or bulletin which is certified as true and correct in content and policy by an authorized owner or official and includes the following:

(1) Identifying data, such as volume number and date of publication;

(2) Names of the institution and its governing body, officials and faculty;

(3) A calendar of the institution showing legal holidays, beginning and ending date of each quarter, term, or semester, and other important dates;

(4) Institution policy and regulations on enrollment with respect to enrollment dates and specific entrance requirements for each course;

(5) Institution policy and regulations relative to leave, absences, class cuts, makeup work, tardiness and interruptions for unsatisfactory attendance;

(6) Institution policy and regulations relative to standards of progress required of the student by the institution (this policy will define the grading system of the institution, the minimum grades considered satisfactory, conditions for interruption for unsatisfactory grades or progress and a description of the probationary period, if any, allowed by the institution, and conditions of reentrance for those students dismissed for unsatisfactory progress. A statement will be made regarding progress records kept by the institution and furnished the student);

(7) Institution policy and regulations relating to student conduct and conditions for dismissal for unsatisfactory conduct;

(8) Detailed schedules of fees, charges for tuition, books, supplies, tools, student activities, laboratory fees, service charges, rentals, deposits, and all other charges;

(9) Policy and regulations of the institution relative to the refund of the unused portion of tuition, fees, and other charges in the event the student does not enter the course or withdraws or is discontinued therefrom;

(10) A description of the available space, facilities, and equipment;

(11) A course outline for each course for which approval is requested, showing subjects or units in the course, type of work or skill to be learned, and approximate time and clock hours to be spent on each subject or unit; and

(12) Policy and regulations of the institution relative to granting credit for previous educational training.

(c) The appropriate State approving agency may approve the application of such institution when the institution and its non-accredited courses are found upon investigation to have met the following criteria:

(1) The courses, curriculum, and instruction are consistent in quality, content, and length with similar courses in public schools and other private schools in the State, with recognized accepted standards.

(2) There is in the institution adequate space, equipment, instructional material, and instructor personnel to provide training of good quality.

(3) Educational and experience qualifications of directors, administrators, and instructors are adequate.

(4) The institution maintains a written record of the previous education and training of the eligible person and clearly indicates that appropriate credit has been given by the institution for previous education and training, with the training period shortened proportionately and the eligible person so notified.

(5) A copy of the course outline, schedule of tuition, fees, and other charges, regulations pertaining to absence, grading policy, and rules of operation and conduct will be furnished the eligible person upon enrollment.

(6) Upon completion of training, the eligible person is given a certificate by the institution indicating the approved course and indicating that training was satisfactorily completed.

(7) Adequate records as prescribed by the State approving agency are kept to show attendance and progress or grades, and satisfactory standards relating to attendance, progress, and conduct are enforced.

(8) The institution complies with all local, city, county, municipal, State, and Federal regulations, such as fire codes, building and sanitation codes. The State approving agency may require such evidence of compliance as is deemed necessary.

(9) The institution is financially sound and capable of fulfilling its commitments for training.

(10) The institution does not utilize advertising of any type which is erroneous or misleading, either by actual statement, omission, or intimation. The institution shall not be deemed to have met this requirement until the State approving agency (A) has ascertained from the Federal Trade Commission whether the Commission has issued an order to the institution to cease and desist from any act or practice, and (B) has, if such an order has been issued, given due weight to that fact.

(11) The institution does not exceed its enrollment limitations as established by the State approving agency.

(12) The institution's administrators, directors, owners, and instructors are of good reputation and character.

(13) The institution has and maintains a policy for the refund of the unused portion of tuition, fees, and other charges in the event the eligible person fails to enter the course or withdraws or is discontinued therefrom at any time before completion and—

(A) in the case of an institution (other than (i) a Federal, State, or local Government institution or (ii) an institution described in subparagraph (B)), such policy provides that

the amount charged to the eligible person for tuition, fees, and other charges for a portion of the course shall not exceed the approximate pro rata portion of the total charges for tuition, fees, and other charges that the length of the completed portion of the course bears to its total length; or

(B) in the case of an institution that is a nonaccredited public educational institution, the institution has and maintains a refund policy regarding the unused portion of tuition, fees, and other charges that is substantially the same as the refund policy followed by accredited public educational institutions located within the same State as such institution.

(14) In the case of a program designed to prepare an individual for licensure or certification in a State, the program meets any instructional curriculum licensure or certification requirements of such State.

(15) In the case of a program designed to prepare an individual for employment pursuant to standards developed by a board or agency of a State in an occupation that requires approval or licensure, the program is approved or licensed by such board or agency of the State.

[(14)] *(16) Such additional criteria as may be deemed necessary by the State approving agency.*

(d) The Secretary may waive, in whole or in part, the requirements of subsection (c)(13) of this section in the case of an educational institution which—

(1) is a college, university, or similar institution offering postsecondary level academic instruction that leads to an associate or higher degree,

(2) is operated by an agency of a State or of a unit of local government,

(3) is located within such State or, in the case of an institution operated by an agency of a unit of local government, within the boundaries of the area over which such unit has taxing jurisdiction, and

(4) is a candidate for accreditation by a regional accrediting association,

if the Secretary determines, pursuant to regulations which the Secretary shall prescribe, that such requirements would work an undue administrative hardship because the total amount of tuition, fees, and other charges at such institution is nominal.

(e) Notwithstanding any other provision of this title, a course of education shall not be approved under this section if it is to be pursued in whole or in part by independent study.

(f)(1) The Secretary may waive the requirements of paragraph (14) or (15) of subsection (c) in the case of a program of education offered by an educational institution if the Secretary determines all of the following:

(A) The educational institution is not accredited by an agency or association recognized by the Secretary of Education.

(B) The program did not meet the requirements of such paragraph at any time during the two-year period preceding the date of the waiver.

(C) The waiver furthers the purposes of the educational assistance programs administered by the Secretary or would fur-

ther the education interests of individuals eligible for assistance under such programs.

(D) The educational institution does not provide any commission, bonus, or other incentive payment based directly or indirectly on success in securing enrollments or financial aid to any persons or entities engaged in any student recruiting or admission activities or in making decisions regarding the award of student financial assistance, except for the recruitment of foreign students residing in foreign countries who are not eligible to receive Federal student assistance.

(2) Not later than 30 days after the Secretary issues a waiver under paragraph (1), the Secretary shall submit to Congress notice of the waiver and the justification of the Secretary for issuing the waiver.

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§ 3679. Disapproval of courses

(a) Any course approved for the purposes of this chapter which fails to meet any of the requirements of this chapter shall be immediately disapproved by the Secretary or the appropriate State approving agency. An educational institution which has its courses disapproved by the Secretary or a State approving agency will be notified of such disapproval by a certified or registered letter of notification and a return receipt secured.

(b) Each State approving agency shall notify the Secretary of each course which it has disapproved under this section. The Secretary shall notify the State approving agency of the Secretary's disapproval of any educational institution under chapter 31 of this title.

(c)(1) Notwithstanding any other provision of this chapter and subject to paragraphs (3) through (6), the Secretary shall disapprove a course of education provided by a public institution of higher learning if the institution charges tuition and fees for that course for covered individuals who are pursuing the course with educational assistance under chapter 30 or 33 of this title while living in the State in which the institution is located at a rate that is higher than the rate the institution charges for tuition and fees for that course for residents of the State in which the institution is located, regardless of the covered individual's State of residence.

(2) For purposes of this subsection, a covered individual is any individual as follows:

(A) A veteran who was discharged or released from a period of not fewer than 90 days of service in the active military, naval, or air service less than three years before the date of enrollment in the course concerned.

(B) An individual who is entitled to assistance under section 3311(b)(9) or 3319 of this title by virtue of such individual's relationship to a veteran described in subparagraph (A).

(3) If after enrollment in a course of education that is subject to disapproval under paragraph (1) by reason of paragraph (2)(A) or (2)(B) a covered individual pursues one or more courses of education at the same public institution of higher learning while remaining continuously enrolled (other than during regularly scheduled breaks between courses, semesters or terms) at that institution of higher learning, any course so pursued by the covered indi-

vidual at that institution of higher learning while so continuously enrolled shall also be subject to disapproval under paragraph (1).

(4) It shall not be grounds to disapprove a course of education under paragraph (1) if a public institution of higher learning requires a covered individual pursuing a course of education at the institution to demonstrate an intent, by means other than satisfying a physical presence requirement, to establish residency in the State in which the institution is located, or to satisfy other requirements not relating to the establishment of residency, in order to be charged tuition and fees for that course at a rate that is equal to or less than the rate the institution charges for tuition and fees for that course for residents of the State.

(5) The Secretary may waive such requirements of paragraph (1) as the Secretary considers appropriate.

(6) Disapproval under paragraph (1) shall apply only with respect to educational assistance under chapters 30 and 33 of this title.

(d) Notwithstanding any other provision of this chapter, the Secretary shall disapprove a course of education described in section 3676(c)(14) or (15) unless the educational institution providing the course of education publicly discloses any conditions or additional requirements, including training, experience, or exams, required to obtain the license, certification, or approval for which the course of education is designed to provide preparation.

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