

112TH CONGRESS  
2D SESSION

# S. 2179

To amend title 38, United States Code, to improve oversight of educational assistance provided under laws administered by the Secretary of Veterans Affairs and the Secretary of Defense, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MARCH 8, 2012

Mr. WEBB (for himself, Mr. HARKIN, Mr. BROWN of Massachusetts, Mr. CARPER, and Mrs. MCCASKILL) introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

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## A BILL

To amend title 38, United States Code, to improve oversight of educational assistance provided under laws administered by the Secretary of Veterans Affairs and the Secretary of Defense, 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 “Military and Veterans  
5 Educational Reform Act of 2012”.

1 **SEC. 2. ADDITIONAL REQUIREMENTS FOR APPROVAL OF**  
 2 **EDUCATIONAL PROGRAMS FOR PURPOSES**  
 3 **OF EDUCATIONAL ASSISTANCE UNDER LAWS**  
 4 **ADMINISTERED BY SECRETARY OF VET-**  
 5 **ERANS AFFAIRS AND SECRETARY OF DE-**  
 6 **FENSE.**

7 (a) AUTOMATIC APPROVAL BY SECRETARY OF VET-  
 8 ERANS AFFAIRS OF DEGREE PROGRAMS APPROVED BY  
 9 SECRETARY OF EDUCATION.—Clause (i) of section  
 10 3672(b)(2)(A) of title 38, United States Code, is amended  
 11 to read as follows:

12 “(i) A course that is described by section  
 13 3675(a) of this title.”.

14 (b) APPROVAL BY SECRETARY OF VETERANS AF-  
 15 FAIRS OF NON-DEGREE PROGRAMS APPROVED BY SEC-  
 16 RETARY OF EDUCATION.—

17 (1) IN GENERAL.—Section 3675 of such title is  
 18 amended—

19 (A) by redesignating subsections (b) and  
 20 (c) as subsections (c) and (d), respectively;

21 (B) by striking subsection (a); and

22 (C) by inserting before subsection (c), as  
 23 redesignated by subparagraph (A), the following  
 24 new subsections:

25 “(a) The Secretary or a State approving agency may  
 26 only approve a course that leads to an associate or higher

1 degree when such course is an eligible program (as defined  
 2 in section 481 of the Higher Education Act of 1965 (20  
 3 U.S.C. 1088)) offered by an institution of higher edu-  
 4 cation (as defined in section 102 of such Act (20 U.S.C.  
 5 1002)) that has entered into, and is complying with, a pro-  
 6 gram participation agreement under section 487 of such  
 7 Act (20 U.S.C. 1094).

8 “(b)(1) The Secretary or a State approving agency  
 9 may approve a course that does not lead to an associate  
 10 or higher degree when—

11 “(A) such course—

12 “(i) is an eligible program (as defined in  
 13 section 481 of the Higher Education Act of  
 14 1965 (20 U.S.C. 1088)) offered by an institu-  
 15 tion of higher education (as defined in section  
 16 102 of such Act (20 U.S.C. 1002)) that has en-  
 17 tered into, and is complying with, a program  
 18 participation agreement under section 487 of  
 19 such Act (20 U.S.C. 1094);

20 “(ii) in the case of a course designed to  
 21 prepare individuals for licensure or certification,  
 22 meets the instructional curriculum licensure or  
 23 certification requirements of the State in which  
 24 the institution is located; and

1           “(iii) in the case of a course designed to  
 2           prepare an individual for employment by a  
 3           State board or agency in an occupation that re-  
 4           quires approval or licensure for such employ-  
 5           ment, is approved or licensed by such State  
 6           board or agency;

7           “(B) such course is accepted by the State de-  
 8           partment of education for credit for a teacher’s cer-  
 9           tificate; or

10          “(C) such course is approved by the State as  
 11          meeting the requirement of regulations prescribed by  
 12          the Secretary of Health and Human Services under  
 13          sections 1819(f)(2)(A)(i) and 1919(f)(2)(A)(i) of the  
 14          Social Security Act (42 U.S.C. 1395i–3(f)(2)(A)(i)  
 15          and 1396r(f)(2)(A)(i)).

16          “(2)(A) An educational institution shall submit an  
 17          application for approval of courses to the appropriate  
 18          State approving agency. In making application for ap-  
 19          proval, the institution (other than an elementary school  
 20          or secondary school) shall transmit to the State approving  
 21          agency copies of its catalog or bulletin which must be cer-  
 22          tified as true and correct in content and policy by an au-  
 23          thorized representative of the institution.

24          “(B) Each catalog or bulletin transmitted by an insti-  
 25          tution under subparagraph (A) of this paragraph shall—

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

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

6 “(iii) include any attendance standards of the  
7 institution, if the institution has and enforces such  
8 standards.”.

9 (2) CONFORMING AMENDMENTS.—Such title is  
10 amended—

11 (A) in section 3452(g), by striking “under  
12 the provisions of section 3675 of this title”;

13 (B) in section 3501(11), by striking  
14 “under the provisions of section 3675 of this  
15 title”;

16 (C) in section 3672(b)(2)(A), by striking  
17 “3675(b)(1) and (b)(2)” and inserting  
18 “3675(c)(1) and (c)(2)”; and

19 (D) in the heading for section 3675, by  
20 striking “**accredited courses**” and insert-  
21 ing “**courses approved by Secretary of**  
22 **Education**”.

23 (3) CLERICAL AMENDMENT.—The table of sec-  
24 tions at the beginning of chapter 36 of such title is

1       amended by striking the item relating to section  
2       3675 and inserting the following new item:

“3675. Approval of courses approved by Secretary of Education.”.

3       (c) APPROVAL BY SECRETARY OF VETERANS AF-  
4 FAIRS OF NON-DEGREE PROGRAMS NOT APPROVED BY  
5 SECRETARY OF EDUCATION.—

6           (1) IN GENERAL.—Subsection (a) of section  
7       3676 of such title is amended to read as follows:

8       “(a) No course of education which has not been ap-  
9 proved by the Secretary or a State approving agency under  
10 section 3675 of this title shall be approved for the pur-  
11 poses of this chapter unless—

12           “(1) the course—

13               “(A) does not lead to an associate or high-  
14 er degree;

15               “(B) was not an eligible program (as de-  
16 fined in section 481 of the Higher Education  
17 Act of 1965 (20 U.S.C. 1088)) at any time dur-  
18 ing the most recent two-year period; and

19               “(C) is a course that the Secretary or  
20 State approving agency determines, in accord-  
21 ance with this section and such regulations as  
22 the Secretary shall prescribe and on a case-by-  
23 case basis, that approval of which would further  
24 the purposes of this chapter or any of chapters  
25 30 through 35 of this title; and

1           “(2) the educational institution offering such  
 2           course submits to the appropriate State approving  
 3           agency a written application for approval of such  
 4           course in accordance with the provisions of this  
 5           chapter.”.

6           (2) ADDITIONAL REQUIREMENTS.—Subsection  
 7           (c) of section 3676 of such title is amended—

8                   (A) by redesignating paragraph (14) as  
 9                   paragraph (21); and

10                   (B) by inserting after paragraph (13) the  
 11                   following new paragraphs:

12                   “(14) Such courses providing less than 600  
 13                   clock hours of instruction, or its equivalent, have  
 14                   verified completion and placement rates of at least  
 15                   70 percent.

16                   “(15) Courses that prepare individuals for li-  
 17                   censure or certification have verified that the  
 18                   course’s instructional curriculum appropriately in-  
 19                   cludes the licensure or certification requirements in  
 20                   the State in which the institution deems such cur-  
 21                   riculum does.

22                   “(16) Courses for which a State board or agen-  
 23                   cy in the State in which the course is designed to  
 24                   prepare a student requires approval or licensure for  
 25                   employment in the recognized occupation in the

1 State is approved or licensed by such State board or  
2 agency.

3 “(17) In the case of an educational institution  
4 that advertises job placement rates as a means of at-  
5 tracting students to enroll in a course of education  
6 offered by the educational institution, the application  
7 contains any other information necessary to substan-  
8 tiate the truthfulness of such advertisements.

9 “(18) The educational institution does not pro-  
10 vide any commission, bonus, or other incentive pay-  
11 ment based directly or indirectly on success in secur-  
12 ing enrollments or financial aid to any persons or  
13 entities engaged in any student recruiting or admis-  
14 sion activities or in making decisions regarding the  
15 award of student financial assistance, except for the  
16 recruitment of foreign students residing in foreign  
17 countries who are not eligible to receive Federal stu-  
18 dent assistance.

19 “(19) The educational institution does not  
20 make any misrepresentations (as defined in section  
21 668.71 of title 34, Code of Federal Regulations (or  
22 any corresponding similar regulation or ruling)) re-  
23 garding the nature of its educational program, the  
24 nature of its financial charges, or the employability  
25 of its graduates (as defined in sections 668.72



through 668.74 of such title, respectively (or any corresponding similar regulations or rulings)).

“(20) The educational institution has provided information necessary to substantiate that it complies with the requirements set forth under section 600.9 of title 34 Code of Federal Regulations (or any corresponding similar regulation or ruling).”.

(3) REQUIREMENT THAT ADDITIONAL REQUIREMENTS IMPOSED BY STATE APPROVING AGENCIES BE APPROVED BY SECRETARY OF VETERANS AFFAIRS.—Paragraph (21) of such subsection, as redesignated by paragraph (2)(A), is amended by inserting “and approved by the Secretary” before the period at the end.

(4) CONFORMING AMENDMENTS.—Section 3676 of such title is amended—

(A) in the heading for such section, by striking “**nonaccredited courses**” and inserting “**courses not approved by Secretary of Education**”; and

(B) in subsection (c), in the matter before paragraph (1), by striking “non-accredited”.

(5) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 36 of such title is

1       amended by striking the item relating to section  
2       3675 and inserting the following new item:

“3676. Approval of courses not approved by Secretary of Education.”.

3       (d) ADDITIONAL REQUIREMENTS FOR APPROVAL OF  
4 PROGRAMS FOR EDUCATIONAL ASSISTANCE FOR PER-  
5 SONS ENLISTING FOR ACTIVE DUTY.—Section 2143 of  
6 title 10, United States Code, is amended—

7           (1) in subsection (a), by striking “to subsection  
8       (b)” and inserting “to subsections (b) and (c)”;

9           (2) by redesignating subsection (c) as sub-  
10       section (d); and

11          (3) by inserting after subsection (b) the fol-  
12       lowing new subsection (c):

13       “(c)(1) Except as provided in paragraph (2), a person  
14 entitled to assistance under this chapter may only use  
15 such assistance for educational expenses incurred for an  
16 eligible program (as defined in section 481 of the Higher  
17 Education Act of 1965 (20 U.S.C. 1088)) that—

18           “(A) is offered by an institution of higher edu-  
19 cation (as defined in section 102 of such Act (20  
20 U.S.C. 1002)) that has entered into, and is com-  
21 plying with, a program participation agreement  
22 under section 487 of such Act (20 U.S.C. 1094);

23           “(B) in the case of a program designed to pre-  
24 pare individuals for licensure or certification, meets  
25 the instructional curriculum licensure or certification

1 requirements of the State in which the institution is  
2 located; and

3 “(C) in the case of a program designed to pre-  
4 pare individuals for employment by a State board or  
5 agency in an occupation that requires approval or li-  
6 censure for such employment, is approved or li-  
7 censed by such State board or agency.

8 “(2) The Secretary may, in accordance with regula-  
9 tions the Secretary shall prescribe, authorize the use of  
10 educational assistance awarded under this chapter for  
11 educational expenses incurred for a program of education  
12 that is not described in paragraph (1) if such program—

13 “(A) is accredited and approved by a nationally  
14 recognized accrediting agency or association;

15 “(B) was not an eligible program described in  
16 paragraph (1) at any time during the most recent  
17 two-year period; and

18 “(C) is a program that the Secretary deter-  
19 mines, on a case-by-case basis, that approval of  
20 which would further the purposes of the program es-  
21 tablished under section 2141 of this title.”.

22 (e) EFFECTIVE DATE.—The amendments made by  
23 this section shall take effect on August 1, 2013.

1 **SEC. 3. REQUIREMENT THAT EDUCATIONAL INSTITUTIONS**  
2 **INFORM STUDENTS OF MATTERS RELATING**  
3 **TO ACCREDITATION AND OUTCOMES AS CON-**  
4 **DITION OF APPROVAL FOR PURPOSES OF**  
5 **EDUCATIONAL ASSISTANCE UNDER LAWS AD-**  
6 **MINISTERED BY SECRETARY OF VETERANS**  
7 **AFFAIRS AND SECRETARY OF DEFENSE.**

8 (a) EDUCATIONAL ASSISTANCE UNDER LAWS AD-  
9 MINISTERED BY SECRETARY OF VETERANS AFFAIRS.—  
10 Section 3672 of title 38, United States Code, is amend-  
11 ed—

12 (1) by adding at the end the following new sub-  
13 section:

14 “(f)(1) A course of education that is offered by an  
15 educational institution may not be approved under this  
16 chapter unless the educational institution discloses and  
17 makes readily available the information described in para-  
18 graph (2) to—

19 “(A) each individual considering enrolling in the  
20 course of education at or before the moment at  
21 which the individual applies for enrollment in such  
22 course of education;

23 “(B) each student who is enrolled in the course  
24 of education each year the student is so enrolled;  
25 and

26 “(C) the public.

1       “(2) The information described in this paragraph  
2 with respect to an educational institution or a course of  
3 education of the educational institution is the following:

4           “(A) The names of associations, agencies, or  
5 governmental bodies which accredit, approve, or li-  
6 cense the educational institution and its courses of  
7 education and the procedures under which any cur-  
8 rent or prospective student may obtain or review  
9 upon request a copy of the documents describing the  
10 educational institution’s accreditation, approval, or  
11 licensing.

12           “(B) Whether the educational institution is a  
13 public educational institution, a private nonprofit  
14 educational institution, or a private for-profit edu-  
15 cational institution.

16           “(C) The rates of graduation of students who  
17 enroll in the course of education and the average  
18 dropout rate of all students enrolled in the course of  
19 education.

20           “(D) The percentage of students enrolled in the  
21 course of education who complete the course with-  
22 in—

23                   “(i) the standard period for completion of  
24 such course of education;

25                   “(ii) 150 percent of such period; and

1 “(iii) 200 percent of such period.

2 “(E) The median educational debt incurred by  
3 students who complete the course of education.

4 “(F) The cohort default rate, as defined in sec-  
5 tion 435(m) of the Higher Education Act of 1965  
6 (20 U.S.C. 1085(m)), of the educational institution.

7 “(G) The rates of job placement of students  
8 who complete the course of education, as applicable,  
9 and the types of employment obtained by such stu-  
10 dents.

11 “(H) For any job for which the course of edu-  
12 cation is designed to prepare a student, the relevant  
13 licensing or certification requirements for such job in  
14 the State for which the course is designed to prepare  
15 the student to obtain such license or certificate and  
16 the examination and licensure test pass rates, as ap-  
17 plicable.

18 “(I) The tuition and fees for programs of edu-  
19 cation at the educational institution.

20 “(J) The percentage of students enrolled in  
21 programs of education at the educational institution  
22 who have submitted a complaint under section  
23 3697C(a) of this title.

24 “(K) With respect to the information reported  
25 under subparagraphs (C) through (J), indicators of

1       how the educational institution compares with the  
2       averages of all public educational institutions with  
3       similar courses of education in the State in which  
4       the educational institution is located.

5               “(L) A description of the procedures by which  
6       student may submit complaints regarding edu-  
7       cational institutions to applicable Federal and State  
8       agencies, including State approving agencies and ac-  
9       crediting agencies or associations and such contact  
10      information as may be necessary to submit such  
11      complaints.

12              “(M) A description of the process established  
13      under section 3697C(a) of this title and such contact  
14      information as may be necessary to submit a com-  
15      plaint in accordance with such process.

16              “(N) The policies established by the educational  
17      institution regarding transfer of course credit, in-  
18      cluding the following:

19                      “(i) Any established criteria the edu-  
20                      cational institution uses regarding the transfer  
21                      of course credit earned at another educational  
22                      institution.

23                      “(ii) A list of educational institutions that  
24                      will accept transfer of course credit for specific

1 programs of education offered by the edu-  
2 cational institution.

3 “(iii) A list of educational institutions from  
4 which the educational institution will accept  
5 transfer of course credit for specific programs  
6 offered by that educational institution.

7 “(iv) Any changes by the educational insti-  
8 tution in such policies and established criteria  
9 that first took effect in the most recent one-  
10 year period.

11 “(O) A statement of the requirements of any  
12 refund policies of the educational institution.

13 “(P) A statement of the requirements for offi-  
14 cially withdrawing from a course of education at the  
15 educational institution.

16 “(Q) The standards which a student must  
17 maintain in order to be considered to be making sat-  
18 isfactory progress in a course of education at the  
19 educational institution.

20 “(R) A description of the services available at  
21 the educational institution that are tailored specifi-  
22 cally to meet the needs of individuals receiving as-  
23 sistance under this chapter, any of chapters 30  
24 through 35 of this title, or chapter 106A or 1606 of



1 title 10, including services provided under section  
2 3679A(a) of this title.

3 “(S) In the case of an educational institution  
4 that advertises job placement rates as a means of at-  
5 tracting students to enroll in the educational institu-  
6 tion, such information as may be necessary to sub-  
7 stantiate the truthfulness of the claims made in such  
8 advertising.

9 “(3) The information disclosed and made readily  
10 available under paragraph (1) to individuals and students  
11 described in subparagraphs (A) and (B) of such para-  
12 graph, respectively, shall be disclosed and made readily  
13 available—

14 “(A) in language that can be easily understood  
15 by such individuals and students; and

16 “(B) in a uniform manner that is appropriate  
17 for such individuals and students, including by pub-  
18 lications, mailings, and electronic media.”; and

19 (2) in subsection (b)(2)(A), as amended by sec-  
20 tion 2(b)(2), in the matter before clause (i), by in-  
21 serting “subsection (f) and” after “Subject to”.

22 (b) EDUCATIONAL ASSISTANCE FOR PERSONS EN-  
23 LISTING FOR ACTIVE DUTY.—

1           (1) IN GENERAL.—Chapter 106A of title 10,  
 2           United States Code, is amended by inserting after  
 3           section 2149 the following new section:

4   **“§ 2149A. Disclosure requirements of educational in-**  
 5                 **stitutions**

6           “The Secretary may not provide a payment of edu-  
 7           cational expenses under an educational assistance pro-  
 8           gram established under section 2141 of this title for in-  
 9           struction at an accredited institution (as defined in section  
 10          2143 of this title) unless such institution discloses and  
 11          makes readily available the information described in para-  
 12          graph (2) of section 3672(f) of title 38 as described in  
 13          paragraph (3) of such section to—

14                 “(1) each individual considering enrolling in the  
 15                 course of education at or before the moment at  
 16                 which the individual applies for enrollment in such  
 17                 course of education;

18                 “(2) each student who is enrolled in the course  
 19                 of education each year the student is so enrolled;  
 20                 and

21                 “(3) the public.”.

22           (2) CLERICAL AMENDMENT.—The table of sec-  
 23           tions at the beginning of chapter 106A of such title  
 24           is amended by adding at the end the following new  
 25           item:

“2149A. Disclosure requirements of educational institutions.”.

1 (c) EFFECTIVE DATE.—Subsection (f) of section  
 2 3672 of title 38, United States Code, as added by sub-  
 3 section (a)(1), and section 2149A of title 10, United  
 4 States Code, as added by subsection (b)(1), shall take ef-  
 5 fect on August 1, 2013.

6 **SEC. 4. ADDITIONAL REQUIREMENTS OF EDUCATIONAL IN-**  
 7 **STITUTIONS FOR SUPPORT OF VETERANS**  
 8 **AND MEMBERS OF ARMED FORCES.**

9 (a) REQUIREMENTS.—

10 (1) IN GENERAL.—Subchapter I of chapter 36  
 11 of title 38, United States Code, is amended by add-  
 12 ing at the end the following new section:

13 **“§ 3679A. Additional requirements**

14 **“(a) PROVISION OF COUNSELING AND SERVICES.—**

15 (1) An educational institution with 20 or more covered  
 16 individuals enrolled in programs of education at the edu-  
 17 cational institution may not be approved under this chap-  
 18 ter unless the educational institution provides adequate  
 19 academic and student support services (as determined by  
 20 the Secretary), including remediation, tutoring, and career  
 21 and job placement counseling services to such covered in-  
 22 dividuals.

23 **“(2) The Secretary may, on a case-by-case basis,**  
 24 **waive the requirement to provide services under paragraph**

1 (1) for an educational institution for an academic year  
 2 if—

3 “(A) the Secretary determines that the edu-  
 4 cational institution has demonstrated that providing  
 5 such services during such academic year would lead  
 6 to severe financial hardship; and

7 “(B) the educational institution submits to the  
 8 Secretary a plan to provide such services during the  
 9 following academic year.

10 “(b) MINIMUM STANDARDS FOR EMPLOYMENT OF  
 11 POINTS OF CONTACT.—Except as provided in paragraph  
 12 (2), an educational institution may not be approved under  
 13 this chapter unless the educational institution employs a  
 14 number of full-time equivalent employees that the Sec-  
 15 retary considers adequate, but not less than one full-time  
 16 equivalent employee, who—

17 “(1) acts as a point of contact for covered indi-  
 18 viduals on matters relating to educational assistance  
 19 available to individuals under this chapter and chap-  
 20 ters 30 through 35 of this title and under chapters  
 21 106A and 1606 of title 10;

22 “(2) is knowledgeable about such educational  
 23 assistance and such other financial aid, admissions,  
 24 counseling and referral services, and matters relat-

1 ing to postsecondary education as are important to  
 2 the educational success of covered individuals; and

3 “(3) is available to assist covered individuals on  
 4 a full-time basis.

5 “(c) COVERED INDIVIDUAL DEFINED.—In this sec-  
 6 tion, the term ‘covered individual’, with respect to enroll-  
 7 ment in a program of education, means an individual who  
 8 is receiving educational assistance under this chapter or  
 9 any of chapters 30 through 35 of this title or under chap-  
 10 ters 106A and 1606 of title 10 for such program of edu-  
 11 cation.”.

12 (2) CLERICAL AMENDMENT.—The table of sec-  
 13 tions at the beginning of chapter 36 of such title is  
 14 amended by inserting after the item relating to sec-  
 15 tion 3679 the following new item:

“3679A. Additional requirements.”.

16 (b) CONFORMING AMENDMENT.—Section  
 17 3672(b)(2)(A) of such title (as amended by section  
 18 3(a)(2)) is further amended by striking “and 3696” and  
 19 inserting “3696, and 3679A”.

20 (c) EFFECTIVE DATE.—Section 3679A of such title,  
 21 as added by paragraph (1), shall take effect on August  
 22 1, 2013.

23 **SEC. 5. STATE APPROVING AGENCIES.**

24 (a) EDUCATION AND OUTREACH.—

1           (1) IN GENERAL.—Subchapter I of chapter 36  
2           of title 38, United States Code, is amended by in-  
3           serting after section 3674A the following new sec-  
4           tion:

5   **“§ 3674B. Education and outreach**

6           “(a) EDUCATION AND OUTREACH REQUIRED.—As a  
7           condition on receipt of reimbursement expenses under sec-  
8           tion 3674 of this title, each State approving agency shall  
9           conduct such education and outreach activities for individ-  
10          uals who are eligible to receive or are receiving educational  
11          assistance under this chapter or any of chapters 30  
12          through 35 of this title as the Secretary considers appro-  
13          priate to assist such individuals in making well-informed  
14          choices about their education and successfully transition-  
15          ing into an educational environment.

16          “(b) COORDINATION.—Each State approving agency  
17          conducting outreach activities under subsection (a) shall  
18          coordinate with the Secretary of Defense to ensure, as the  
19          Secretary of Defense considers appropriate, that informa-  
20          tion on educational assistance available under this chapter  
21          and chapters 30 through 35 of this title is made readily  
22          available as part of the Transition Assistance Program  
23          (TAP) of the Department of Defense in the State of the  
24          State approving agency.

1       “(c) MANNER.—Information made available as part  
2 of education and outreach activities under this section  
3 shall be made—

4               “(1) in language that can be easily understood  
5 by individuals described in paragraph (1);

6               “(2) in a uniform and easily accessible manner;  
7 and

8               “(3) through such means as may be appropriate  
9 and effective, including through publications, mail-  
10 ings, and electronic media.”.

11           (2) CLERICAL AMENDMENT.—The table of sec-  
12 tions at the beginning of chapter 36 of such title is  
13 amended by inserting after the item relating to sec-  
14 tion 3674A the following new item:

“3674B. Education and outreach.”.

15       (b) AUDITS.—Section 3673(d) of such title is amend-  
16 ed—

17               (1) by inserting “(1)” before “The Secretary”;  
18 and

19               (2) by adding at the end the following new  
20 paragraph:

21       “(2) Each year, each State approving agency, as a  
22 condition of receiving reimbursement of expenses under  
23 section 3674 of this title, shall conduct such audits as the  
24 Secretary considers appropriate, including unannounced  
25 audits and audits using risk-based approaches, of edu-

1 cational institutions in the State of the State approving  
 2 agency that have students enrolled in programs of edu-  
 3 cation at the educational institutions who are receiving  
 4 educational assistance under this chapter or any of chap-  
 5 ters 30 through 35 of this title (without regard to whether  
 6 the Secretary or the State approving agency approved the  
 7 courses offered) in such State—

8           “(A) to detect misrepresentation, fraud, waste,  
 9           and abuse;

10           “(B) to ensure full compliance with the provi-  
 11           sions of this chapter; and

12           “(C) for such other purposes as the Secretary  
 13           considers appropriate.”.

14           (c) REPORTS.—Section 3674(a)(3) of such title is  
 15 amended—

16           (1) by inserting “(A)” before “Each State”;  
 17           and

18           (2) by adding at the end the following new sub-  
 19           paragraph:

20           “(B) Each report submitted under subparagraph (A)  
 21 shall include the following:

22           “(i) The number of visits made by the agency  
 23           to educational institutions, including the number of  
 24           such visits that were made without the prior knowl-  
 25           edge of such educational institution.



1           “(ii) A description of the audits carried out by  
2           the agency under section 3673(d)(2) of this title and  
3           the findings of the agency, including with respect to  
4           any substantiated findings of misrepresentation,  
5           fraud, waste, abuse, or failure to comply with an ap-  
6           plicable requirement of this chapter and the steps  
7           taken by the agency to address such fraud, waste,  
8           abuse, or failure to comply.

9           “(iii) A description of the outreach and training  
10          activities conducted by the agency under section  
11          3674B of this title.”.

12          (d) EFFECTIVE DATE.—The amendments made by  
13          this section shall take effect on August 1, 2013.

14          **SEC. 6. MANDATORY COMPLIANCE REVIEWS.**

15          (a) IN GENERAL.—Section 3693 of title 38, United  
16          States Code, is amended by adding at the end the fol-  
17          lowing new subsection:

18          “(c) In addition to the annual compliance surveys  
19          conducted under subsection (a), the Secretary shall also  
20          conduct a compliance review, in accordance with such reg-  
21          ulations as the Secretary shall prescribe, of an educational  
22          institution described in such subsection whenever the Sec-  
23          retary finds any of the following:

1           “(1) The number of student enrollments at, or  
2           the rate of student enrollments of, the educational  
3           institution has increased rapidly.

4           “(2) The student dropout rate of the institution  
5           has increased rapidly.

6           “(3) The cohort default rate, as defined in sec-  
7           tion 435(m) of the Higher Education Act of 1965  
8           (20 U.S.C. 1085(m)), of the educational institution  
9           has increased rapidly or is consistently higher than  
10          the average of cohort default rate of comparable  
11          educational institutions.

12          “(4) The number of substantiated complaints  
13          filed under section 3697C(a)(1) of this title with re-  
14          spect to the educational institution have increased  
15          rapidly or is consistently higher than the number of  
16          substantiated complaints filed with respect to other  
17          comparable educational institutions.

18          “(5) The educational institution is the subject  
19          of a civil lawsuit in Federal or State court, is  
20          charged with a crime under Federal or State law, or  
21          is the subject of an official investigation of a State  
22          or Federal agency for misconduct.

23          “(6) The educational institution has significant  
24          growth in revenue resulting from tuition, including  
25          tuition paid with assistance provided under this

1 chapter, chapters 30 through 35 of this title, or  
 2 chapters 106A or 1606 of title 10, which cannot be  
 3 attributed to changes made to such chapters by Acts  
 4 of Congress or changes to the administration of such  
 5 chapters.

6 “(7) Such other findings as the Secretary con-  
 7 siders warrant conducting a compliance survey  
 8 under subsection (a).”.

9 (b) EFFECTIVE DATE.—Subsection (c) of such sec-  
 10 tion, as added by subsection (a), shall take effect on Au-  
 11 gust 1, 2013.

12 **SEC. 7. TRAINING AND COUNSELING SO VETERANS AND**  
 13 **MEMBERS OF THE ARMED FORCES CAN**  
 14 **MAKE INFORMED DECISIONS ABOUT EDU-**  
 15 **CATION.**

16 (a) IN GENERAL.—Subchapter II of chapter 36 of  
 17 title 38, United States Code, is amended by adding at the  
 18 end the following new section:

19 **“§ 3697B. Required one-on-one educational coun-**  
 20 **seling**

21 “(a) PROVISION OF COUNSELING REQUIRED.—(1)  
 22 The Secretary of Veterans Affairs shall provide individual-  
 23 ized, one-on-one educational counseling to all individuals  
 24 considering pursuing a program of education with assist-

1 ance furnished under this chapter or any of chapters 30  
2 through 35 of this title.

3 “(2) The Secretary of Defense shall provide individ-  
4 ualized, one-on-one educational counseling to all individ-  
5 uals considering pursuing a program of education with as-  
6 sistance furnished under chapter 106A or 1606 of title  
7 10.

8 “(b) TIME AND MANNER OF COUNSELING.—(1)  
9 Counseling provided under subsection (a) to an individual  
10 described in such subsection considering a program of  
11 education shall be provided at or before the individual en-  
12 rolls in such program as follows:

13 “(A) To such individuals who have received  
14 fewer than  $\frac{1}{3}$  of the credits necessary to complete  
15 the program of education, a complete version of such  
16 counseling.

17 “(B) To such individuals who have received  $\frac{1}{3}$   
18 or more of the credits necessary to complete the pro-  
19 gram of education, a condensed version of such  
20 counseling as the Secretary of Veterans Affairs or  
21 the Secretary of Defense, as the case may be, con-  
22 siders appropriate.

23 “(2) To the extent practicable, counseling provided  
24 under subsection (a) to an individual described in para-

1 graph (1)(A) of this subsection shall be provided in per-  
 2 son.

3 “(3) The Secretary of Veterans Affairs and the Sec-  
 4 retary of Defense shall each establish, by regulation, pro-  
 5 cedures by which individuals may receive counseling pro-  
 6 vided under subsection (a) when receipt of such counseling  
 7 in person is not practicable.

8 “(c) ELEMENTS.—A complete version of counseling  
 9 provided under subsection (b)(1) for an individual shall  
 10 include the following:

11 “(1) An overview of educational assistance  
 12 available to the individual under this chapter and  
 13 chapters 30 through 35 of this title or under chap-  
 14 ters 106A and 1606 of title 10, as the case may be.

15 “(2) Development of a personalized academic  
 16 and career plan.

17 “(3) An overview of the information disclosed  
 18 and made readily available under section 3672(f)(1)  
 19 of this title relevant to the academic and career plan  
 20 developed under paragraph (2).

21 “(4) A discussion of how enrollment in the pro-  
 22 gram of education at the educational institution will  
 23 affect the individual’s academic and career plan and  
 24 the financial implications for such individual of such  
 25 enrollment.

1           “(5) An introduction to the College Navigator  
2           Internet website of the Department of Education.

3           “(d) QUALIFIED COUNSELORS.—Counseling provided  
4           under subsection (a) may only be provided by properly  
5           trained counselors, as determined by the Secretary of Vet-  
6           erans Affairs and the Secretary of Defense.

7           “(e) USE OF INFORMATION DISCLOSED BY EDU-  
8           CATIONAL INSTITUTIONS.—In providing educational as-  
9           sistance under this section, the Secretary of Veterans Af-  
10          fairs and the Secretary of Defense shall, to the degree  
11          practicable, use the information disclosed and made read-  
12          ily available under section 3672(f)(1) of this title.

13          “(f) LINKS TO COLLEGE NAVIGATOR INTERNET  
14          WEBSITE OF DEPARTMENT OF EDUCATION.—The Sec-  
15          retary of Veterans Affairs and the Secretary of Defense  
16          shall provide links on the Internet websites of the Depart-  
17          ment of Veterans Affairs of the Department of Defense,  
18          respectively, to the College Navigator Internet website of  
19          the Department of Education in such a manner as the  
20          Secretary of Veterans Affairs and the Secretary of De-  
21          fense consider appropriate to inform veterans and mem-  
22          bers of the Armed Forces of the availability of and the  
23          benefits of using the College Navigator Internet website.”.

1 (b) CLERICAL AMENDMENT.—The table of sections  
 2 for chapter 36 of such title is amended by adding at the  
 3 end the following new item:

“3697B. Required one-on-one educational counseling.”.

4 (c) CLARIFICATION.—

5 (1) HEADING OF SECTION 3697A OF TITLE 38.—

6 Section 3697A of such title is amended, in the head-  
 7 ing, by adding “**by election**” at the end.

8 (2) TABLE OF SECTIONS.—The table of sections  
 9 for chapter 36 of such title is amended by amending  
 10 the item relating to section 3697A to read as fol-  
 11 lows:

“3697A. Educational and vocational counseling by election.”.

12 (d) EFFECTIVE DATE.—Section 3697B of such title,  
 13 as added by paragraph (1), shall take effect on August  
 14 1, 2013, and shall apply with respect to individuals consid-  
 15 ering pursuing programs of education as described in sub-  
 16 section (a) of such section after such date.

17 **SEC. 8. COORDINATION AND OVERSIGHT OF EDUCATIONAL**  
 18 **ASSISTANCE PROGRAMS.**

19 (a) IN GENERAL.—Subchapter II of chapter 36 of  
 20 title 38, United States Code, as amended by section 6,  
 21 is further amended by adding at the end the following new  
 22 section:

1 **“§ 3697C. Coordination and oversight**

2       “(a) DEVELOPMENT OF CENTRALIZED COMPLAINTS  
 3 PROCESS.—(1) Not later than 180 days after the date of  
 4 the enactment of the Military and Veterans Educational  
 5 Reform Act of 2012, the Secretary of Veterans Affairs and  
 6 the Secretary of Defense shall each establish, by regula-  
 7 tion, a process whereby persons are able to submit to the  
 8 Secretaries, including by submitting via State approving  
 9 agencies, complaints regarding educational institutions  
 10 relevant to the provision of educational assistance provided  
 11 under this chapter and chapters 30 through 35 of this title  
 12 and under chapters 106A and 1606 of title 10, including  
 13 complaints regarding misrepresentation, fraud, waste, and  
 14 abuse.

15       “(2) The process required by paragraph (1) shall in-  
 16 clude procedures to address complaints in a timely man-  
 17 ner, including review and investigation of such complaints.

18       “(3) Each year, the Secretary of Veterans Affairs and  
 19 the Secretary of Defense shall each compile the informa-  
 20 tion they collect under this subsection and share such in-  
 21 formation with each other and the Secretary of Education,  
 22 as otherwise allowed under law.

23       “(b) INFORMATION SHARING BETWEEN SECRETARY  
 24 OF VETERANS AFFAIRS, SECRETARY OF DEFENSE, AND  
 25 SECRETARY OF EDUCATION.—(1) Not later than 180  
 26 days after the date of the enactment of the Military and



1 Veterans Educational Reform Act of 2012, the Secretary  
2 of Veterans Affairs and the Secretary of Defense shall  
3 each establish, by regulation, a process by which informa-  
4 tion may be reported by their respective departments to  
5 the Secretary of Education and each other regarding in-  
6 formation with respect to substantiated acts by edu-  
7 cational institutions of misrepresentation, fraud, waste, or  
8 abuse or failure to comply with an applicable requirement  
9 of this chapter or other information considered appro-  
10 priate by the reporting Secretary by an educational insti-  
11 tution at which an individual is enrolled in a program of  
12 education for which the individual receives educational as-  
13 sistance under this chapter, any of chapters 30 through  
14 35 of this title, or chapter 106A or 1606 of title 10 rel-  
15 evant to the purpose and effective implementation of Fed-  
16 eral programs of educational assistance provided under  
17 such chapters.

18 “(2) Not later than 180 days after the date of the  
19 enactment of the Military and Veterans Educational Re-  
20 form Act of 2012, the Secretary of Education shall estab-  
21 lish a process by which the Secretary of Education notifies  
22 the Secretary of Veterans Affairs and the Secretary of De-  
23 fense of the following with respect to educational institu-  
24 tions:

1           “(A) Substantiated acts by educational institu-  
2           tions of misrepresentation, fraud, waste, or abuse.

3           “(B) Loss of accreditation.

4           “(C) Loss of eligibility under title IV of the  
5           Higher Education Act of 1965 (20 U.S.C. 1070 et  
6           seq.).

7           “(D) Has been reported by a Federal or State  
8           agency or a nationally recognized accrediting agency  
9           or association as failing to comply with, or has a sig-  
10          nificant risk of failing to comply with, a provision of  
11          Federal or State law or a requirement that is a con-  
12          dition for accreditation established by a nationally  
13          recognized accrediting agency or association.

14          “(E) Such other information as the Secretary  
15          of Education considers appropriate.

16          “(c) ANNUAL REPORT ON EDUCATIONAL ASSIST-  
17          ANCE PROVIDED BY DEPARTMENT OF VETERANS AF-  
18          FAIRS AND DEPARTMENT OF DEFENSE.—(1) Not less fre-  
19          quently than once each year, the Secretary of Veterans  
20          Affairs and the Secretary of Defense shall each submit  
21          to Congress a report on the provision of educational assist-  
22          ance under this chapter and chapters 30 through 35 of  
23          this title and under chapters 106A and 1606 of title 10,  
24          respectively.

1       “(2) Each report submitted under subsection (a)  
2 shall include, for the period covered by the report and  
3 disaggregated by for-profit and not-for-profit educational  
4 institutions, the following:

5           “(A) The number of individuals who received  
6 assistance under laws administered by the respective  
7 Secretary.

8           “(B) The amounts of assistance provided.

9           “(C) A description of any complaints reported  
10 under subsection (a) to the respective Secretary or  
11 State approving agencies by such individuals with  
12 respect to the receipt or use of educational assist-  
13 ance under laws administered by the respective Sec-  
14 retary.

15           “(D) All substantiated reports of misrepresen-  
16 tation, waste, fraud, abuse, or other acts that are in-  
17 consistent with the requirements of this chapter by  
18 an educational institution at which an individual is  
19 enrolled in a program of education for which the in-  
20 dividual is receiving educational assistance under a  
21 law administered by the respective Secretary.

22           “(E) A list of educational institutions which  
23 had courses of education that were approved under  
24 this chapter in the previous year but were found, in

1 the year covered by the report, not in compliance  
 2 with a requirement of such chapter.

3 “(F) Such recommendations for legislative or  
 4 regulatory action as the respective Secretary con-  
 5 siders appropriate to improve the provision of edu-  
 6 cational assistance under the laws administered by  
 7 the respective Secretary.

8 “(G) An assessment of the academic perform-  
 9 ance of individuals who received educational assist-  
 10 ance described in paragraph (1), including gradua-  
 11 tion rates and dropout rates.

12 “(H) A list of educational institutions that were  
 13 approved under this chapter, disaggregated by edu-  
 14 cational institutions approved under section 3676 of  
 15 this title.”.

16 (b) CLERICAL AMENDMENT.—The table of sections  
 17 at the beginning of chapter 36 of such title, as amended  
 18 by section 6, is further amended by adding at the end the  
 19 following new item:

“3697C. Coordination and oversight.”.

