

112TH CONGRESS
2D SESSION

S. 3474

To provide consumer protections for students.

IN THE SENATE OF THE UNITED STATES

AUGUST 1, 2012

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

A BILL

To provide consumer protections for students.

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 “Protecting Students
5 from Worthless Degrees Act”.

6 **SEC. 2. CONSUMER PROTECTIONS FOR STUDENTS.**

7 (a) IN GENERAL.—

8 (1) DEFINITIONS.—In this section:

9 (A) FEDERAL FINANCIAL ASSISTANCE
10 PROGRAM.—The term “Federal financial assist-
11 ance program” means a program authorized

1 and funded by the Federal Government under
2 any of the following provisions of law:

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

5 (ii) Title I of the Workforce Invest-
6 ment Act of 1998 (29 U.S.C. 2801 et
7 seq.).

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

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

12 (v) Chapter 101, 105, 106A, 1606,
13 1607, or 1608 of title 10, United States
14 Code.

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

17 (B) INSTITUTION OF HIGHER EDU-
18 CATION.—The term “institution of higher edu-
19 cation”—

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

1 (ii) with respect to a program author-
2 ized under subparagraph (A)(ii), has the
3 meaning given the term “postsecondary
4 educational institution” as defined in sec-
5 tion 101 of the Workforce Investment Act
6 of 1998 (29 U.S.C. 2801);

7 (iii) with respect to a program author-
8 ized under subparagraph (A)(iii), has the
9 meaning given the term “postsecondary
10 educational institution” as defined in sec-
11 tion 203 of the Adult Education and Fam-
12 ily Literacy Act (20 U.S.C. 9202);

13 (iv) with respect to a program author-
14 ized under subparagraph (A)(iv), has the
15 meaning given the term “educational insti-
16 tution” under section 3452 of title 38,
17 United States Code;

18 (v) with respect to a program author-
19 ized under subparagraph (A)(v), means an
20 educational institution that awards a de-
21 gree or certificate and is located in any
22 State; and

23 (vi) with respect to a program author-
24 ized under subparagraph (A)(vi), means an
25 educational institution that awards a de-

gree or certificate and is located in any State.

(C) STATE.—

(i) STATE.—The term “State” includes, in addition to the several States of the United States, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, and the Freely Associated States.

(ii) FREELY ASSOCIATED STATES.—The term “Freely Associated States” means the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

(2) CONSUMER PROTECTIONS.—Notwithstanding any other provision of law, an institution of higher education is not eligible to participate in a Federal financial assistance program with respect to any program of postsecondary education or training, including a degree or certificate program, that is designed to prepare students for entry into a recognized occupation or profession that requires licensing or other established requirements as a pre-condition

1 for entry into such occupation or profession, un-
2 less—

3 (A) the successful completion of the pro-
4 gram fully qualifies a student, in the State in
5 which the institution offering the program is lo-
6 cated (and in any State in which the institution
7 indicates, through advertising or marketing ac-
8 tivities or direct contact with potential students,
9 that a student will be prepared to work in the
10 occupation or profession after successfully com-
11 pleting the program), to—

12 (i) take any examination required for
13 entry into the recognized occupation or
14 profession in the State, including satisfying
15 all State or professionally mandated pro-
16 grammatic and specialized accreditation re-
17 quirements, if any; and

18 (ii) be certified or licensed or meet
19 any other academically related pre-condi-
20 tions that are required for entry into the
21 recognized occupation or profession in the
22 State;

23 (B) the institution offering the program
24 provides timely placement for all of the aca-
25 demically related pre-licensure requirements for

1 entry into the recognized occupation or profes-
2 sion in the State, such as clinical placements,
3 internships, or apprenticeships;

4 (C) in the case of State licensing or profes-
5 sionally mandated requirements for entry into
6 the recognized occupation or profession in the
7 State in which the institution offering the pro-
8 gram is located (and in any State in which the
9 institution indicates, through advertising or
10 marketing activities or direct contact with po-
11 tential students, that a student will be prepared
12 to work in the occupation or profession after
13 successfully completing the program) that re-
14 quire specialized accreditation—

15 (i) the program meets that require-
16 ment for specialized accreditation through
17 its accreditation or pre-accreditation by an
18 accrediting agency or association recog-
19 nized by the Secretary of Education as a
20 reliable authority as to the quality or train-
21 ing offered by the institution in that pro-
22 gram; and

23 (ii) if the program is in a pre-accred-
24 ited, probation, or show cause status by an
25 accrediting agency or association described

1 in clause (i), and the requirement for spe-
2 cialized accreditation is for full accredita-
3 tion, the institution—

4 (I) establishes, to the satisfaction
5 of the Secretary of Education, that
6 each student who enrolls before the
7 program is fully accredited attests of
8 being advised that the program is in
9 a pre-accredited, probation, or show
10 cause status and of being informed of
11 the effect on the student's eligibility
12 for assistance under this title and on
13 the student's ability to satisfy State
14 or professionally mandated require-
15 ments for entry into the recognized
16 occupation or profession if full accred-
17 itation is delayed, denied, terminated,
18 or withdrawn; and

19 (II) publicly and prominently dis-
20 closes in any advertising, marketing,
21 or recruitment materials and activities
22 for the institution, the institution's
23 pre-accredited, probation, or show
24 cause status and the implications of

1 such status for prospective students;
2 and

3 (D) the institution—

4 (i) discloses on the application to en-
5 roll in the institution that its program does
6 not necessarily satisfy out-of-State require-
7 ments, if applicable; and

8 (ii) upon receipt of an application to
9 enroll in the institution, notifies the stu-
10 dent, prior to enrollment, if the program in
11 which the student intends to enroll does
12 not satisfy the requirements of the State in
13 which the student is a resident, if applica-
14 ble.

15 (b) EFFECTIVE DATE.—This section shall be effec-
16 tive 6 months after the date of enactment of this Act.

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