

113TH CONGRESS
2D SESSION

S. 2898

To provide consumer protections for students.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 18, 2014

Mr. MERKLEY (for himself and Mr. HARKIN) introduced the following bill;
which was read twice and referred to the Committee on Health, Edu-
cation, 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) DEFINITIONS.—In this section:

8 (1) FEDERAL FINANCIAL ASSISTANCE PRO-
9 GRAM.—The term “Federal financial assistance pro-
10 gram” means a program authorized and funded by

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

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

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

7 (C) The Adult Education and Family Lit-
8 eracy Act (20 U.S.C. 9201 et seq.).

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

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

13 (F) Section 1784a, 2005, or 2007 of title
14 10, United States Code.

15 (2) INSTITUTION OF HIGHER EDUCATION.—The
16 term “institution of higher education”—

17 (A) with respect to a program authorized
18 under paragraph (1)(A), has the meaning given
19 the term in section 102 of the Higher Edu-
20 cation Act of 1965 (20 U.S.C. 1002);

21 (B) with respect to a program authorized
22 under paragraph (1)(B), has the meaning given
23 the term “postsecondary educational institu-
24 tion” as defined in section 101 of the Work-
25 force Investment Act of 1998 (29 U.S.C. 2801);

1 (C) with respect to a program authorized
2 under paragraph (1)(C), has the meaning given
3 the term “postsecondary educational institu-
4 tion” as defined in section 203 of the Adult
5 Education and Family Literacy Act (20 U.S.C.
6 9202);

7 (D) with respect to a program authorized
8 under paragraph (1)(D), has the meaning given
9 the term “educational institution” under section
10 3452 of title 38, United States Code;

11 (E) with respect to a program authorized
12 under paragraph (1)(E), means an educational
13 institution that awards a degree or certificate
14 and is located in any State; and

15 (F) with respect to a program authorized
16 under paragraph (1)(F), means an educational
17 institution that awards a degree or certificate
18 and is located in any State.

19 (3) STATE.—

20 (A) STATE.—The term “State” includes,
21 in addition to the several States of the United
22 States, the Commonwealth of Puerto Rico, the
23 District of Columbia, Guam, American Samoa,
24 the United States Virgin Islands, the Common-

1 wealth of the Northern Mariana Islands, and
2 the freely associated States.

3 (B) FREELY ASSOCIATED STATES.—The
4 term “freely associated States” means the Re-
5 public of the Marshall Islands, the Federated
6 States of Micronesia, and the Republic of
7 Palau.

8 (b) CONSUMER PROTECTIONS.—Notwithstanding
9 any other provision of law, an institution of higher edu-
10 cation is not eligible to participate in a Federal financial
11 assistance program with respect to any program of post-
12 secondary education or training, including a degree or cer-
13 tificate program, that is designed to prepare students for
14 entry into a recognized occupation or profession that re-
15 quires licensing or other established requirements as a
16 pre-condition for entry into such occupation or profession,
17 unless, by not later than 1 year after the date of enact-
18 ment of this Act—

19 (1) the successful completion of the program
20 fully qualifies a student, in the Metropolitan Statis-
21 tical Area and State in which the student resides
22 (and in any State in which the institution indicates,
23 through advertising or marketing activities or direct
24 contact with potential students, that a student will

1 be prepared to work in the occupation or profession
 2 after successfully completing the program), to—

3 (A) take any examination required for
 4 entry into the recognized occupation or profes-
 5 sion in the Metropolitan Statistical Area and
 6 State in which the student resides, including
 7 satisfying all Federal, State, or professionally
 8 mandated programmatic and specialized accred-
 9 itation requirements, if any; and

10 (B) be certified or licensed or meet any
 11 other academically related pre-conditions that
 12 are required for entry into the recognized occu-
 13 pation or profession in the State; and

14 (2) the institution offering the program pro-
 15 vides timely placement for all of the academically re-
 16 lated pre-licensure requirements for entry into the
 17 recognized occupation or profession, such as clinical
 18 placements, internships, or apprenticeships.

19 (c) REGULATIONS ON PRE-ACCREDITED PRO-
 20 GRAMS.—The Secretary of Education shall promulgate
 21 regulations on requirements of an institution of higher
 22 education with respect to any program of the institution
 23 that is in a pre-accredited status, including limitations on,
 24 or requirements of, advertisement of the program to stu-

1 dents. Such regulations shall be consistent with the provi-
2 sions of subsection (b).

3 (d) LOAN DISCHARGE.—The Secretary of Education
4 shall promulgate regulations that condition eligibility for
5 an institution of higher education to participate in any
6 Federal financial assistance program on the institution
7 signing with each student enrolled in any program of the
8 institution that is in a pre-accredited status, a loan dis-
9 charge agreement.

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