

116TH CONGRESS
1ST SESSION

H. R. 4625

To amend title 38, United States Code, to require that educational institutions abide by certain principles as a condition of approval for purposes of the educational assistance programs of the Department of Veterans Affairs, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 8, 2019

Mr. LEVIN of California introduced the following bill; which was referred to the Committee on Veterans' Affairs

A BILL

To amend title 38, United States Code, to require that educational institutions abide by certain principles as a condition of approval for purposes of the educational assistance programs of the Department of Veterans Affairs, 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 "Protect the GI Bill
5 Act".

1 **SEC. 2. REQUIREMENTS FOR EDUCATIONAL INSTITUTIONS**
2 **PARTICIPATING IN THE EDUCATIONAL AS-**
3 **SISTANCE PROGRAMS OF THE DEPARTMENT**
4 **OF VETERANS AFFAIRS.**

5 Section 3679 of title 38, United States Code, is
6 amended by adding at the end the following new sub-
7 section:

8 “(f)(1) Except as provided by paragraph (5), a State
9 approving agency, or the Secretary when acting in the role
10 of the State approving agency, shall take an action de-
11 scribed in paragraph (4)(A) if the State approving agency
12 or the Secretary determines that an educational institution
13 does not perform any of the following:

14 “(A) Prior to the enrollment of a covered indi-
15 vidual in a course of education at the educational in-
16 stitution, provide the individual with a form that
17 contains information personalized to the individual
18 that describes—

19 “(i) the total cost of the course, including
20 tuition, fees, books, supplies, and any other ad-
21 ditional costs;

22 “(ii) an estimate of the cost for living ex-
23 penses for students enrolled in the course;

24 “(iii) the amount of the costs under
25 clauses (i) and (ii) that are covered by the edu-
26 cational assistance provided to the individual

1 under chapter 30, 32, 33, or 35 of this title, or
2 chapter 1606 or 1607 of title 10, as the case
3 may be;

4 “(iv) the type and amount of Federal fi-
5 nancial aid not administered by the Secretary
6 and financial aid offered by the institution that
7 the individual may qualify to receive;

8 “(v) an estimate of the amount of student
9 loan debt the individual would have upon grad-
10 uation;

11 “(vi) information regarding graduation
12 rates;

13 “(vii) job-placement rates for graduates of
14 the course, if available;

15 “(viii) any conditions or additional require-
16 ments, including training, experience, or exami-
17 nations, required to obtain the license, certifi-
18 cation, or approval for which the course of edu-
19 cation is designed to provide preparation; and

20 “(ix) other information to facilitate com-
21 parison by the individual of aid packages of-
22 fered by different educational institutions.

23 “(B) Not later than 15 days after the date on
24 which the institution (or the governing body of the
25 institution) determines tuition rates and fees for an

1 academic year that is different than the amount
2 being charged by the institution, provide a covered
3 individual enrolled in a course of education at the
4 educational institution with the form under subpara-
5 graph (A) that contains updated information.

6 “(C) Maintain policies to—

7 “(i) inform each covered individual enrolled
8 in a course of education at the educational in-
9 stitution of the availability of Federal financial
10 aid not administered by the Secretary and fi-
11 nancial aid offered by the institution; and

12 “(ii) alert such individual of the potential
13 eligibility of the individual for such financial aid
14 before packaging or arranging student loans or
15 alternative financing programs for the indi-
16 vidual.

17 “(D) Maintain policies to—

18 “(i) prohibit the automatic renewal of a
19 covered individual in courses and programs of
20 education; and

21 “(ii) ensure that each covered individual
22 approves of the enrollment of the individual in
23 a course.

24 “(E) Provide to a covered individual enrolled in
25 a course of education at the educational institution

1 with information regarding the requirements to
2 graduate from such course, including information re-
3 garding when required classes will be offered and a
4 timeline to graduate.

5 “(F) With respect to an accredited educational
6 institution, obtain the approval of the accrediting
7 agency for each new course or program of the insti-
8 tution before enrolling covered individuals in such
9 courses or programs if the accrediting agency deter-
10 mines that such approval is appropriate under the
11 substantive change requirements of the accrediting
12 agency regarding the quality, objectives, scope, or
13 control of the institution.

14 “(G) Maintain a policy that—

15 “(i) ensures that members of the Armed
16 Forces, including the reserve components and
17 the National Guard, who enroll in a course of
18 education at the educational institution may be
19 readmitted at such institution if such members
20 are temporarily unavailable or have to suspend
21 such enrollment by reason of serving in the
22 Armed Forces; and

23 “(ii) otherwise accommodates such mem-
24 bers during short absences by reason of such
25 service.

1 “(H) Designate an employee of the educational
2 institution to serve as a point of contact for covered
3 individuals and the family of such individuals need-
4 ing assistance with respect to academic counseling,
5 financial counseling, disability counseling, and other
6 information regarding completing a course of edu-
7 cation at such institution, including by referring
8 such individuals and family to the appropriate per-
9 sons for such counseling and information.

10 “(2) Except as provided by paragraph (5), a State
11 approving agency, or the Secretary when acting in the role
12 of the State approving agency, shall take an action de-
13 scribed in paragraph (4)(A) if the State approving agency,
14 the Secretary, or the Federal Trade Commission, deter-
15 mines that an educational institution does any of the fol-
16 lowing:

17 “(A) Carries out fraudulent or persistent re-
18 cruiting techniques, including on military installa-
19 tions, that may include—

20 “(i) misrepresentation or payment of in-
21 centive compensation;

22 “(ii) during any one-month period making
23 three or more unsolicited contacts to a covered
24 individual, including contacts by phone, email,
25 or in-person; or

1 “(iii) engaging in same-day recruitment
2 and registration.

3 “(B) Pays inducements, including any gratuity,
4 favor, discount, entertainment, hospitality, loan,
5 transportation, lodging, meals, or other item having
6 a monetary value of more than a de minimis
7 amount, to any individual or entity, or its agents in-
8 cluding third-party lead generators or marketing
9 firms other than salaries paid to employees or fees
10 paid to contractors in conformity with all applicable
11 laws for the purpose of securing enrollments of cov-
12 ered individuals or obtaining access to educational
13 assistance under this title, with the exception of
14 scholarships, grants, and tuition reductions provided
15 by the educational institution.

16 “(3) A State approving agency, or the Secretary when
17 acting in the role of the State approving agency, shall take
18 an action described in paragraph (4)(A) if the State ap-
19 proving agency or the Secretary determines that an edu-
20 cational institution is the subject of a negative action
21 made by the accrediting agency that accredits the institu-
22 tion, including any of the following:

23 “(A) A show cause order.

24 “(B) Accreditor sanctions.

25 “(C) Accreditation probation.

1 “(D) The loss of accreditation or candidacy for
2 accreditation.

3 “(4)(A) An action described in this subparagraph is
4 any of the following:

5 “(i) Publishing a warning on the internet
6 website of the Department described in section
7 3698(c)(2) of this title, or such other similar inter-
8 net website of the Department, that describes how
9 an educational institution is failing to meet a re-
10 quirement under paragraph (1) or (2).

11 “(ii) Prohibiting the pursuit by an individual of
12 a course of education at an educational institution
13 under chapter 30, 32, 33, or 35 of this title, or
14 chapter 1606 or 1607 of title 10, during the period
15 beginning on the date of such prohibition and ending
16 on a date specified by the State approving agency,
17 in consultation with the Secretary, or the Secretary
18 when acting in the role of the State approving agen-
19 cy, unless the individual was enrolled at the institu-
20 tion before such period.

21 “(B) The Secretary shall establish guidelines to en-
22 sure that the actions described in subparagraph (A) are
23 applied in a proportional and uniform manner by State
24 approving agencies, or the Secretary when acting in the
25 role of the State approving agency.

1 “(5) The Secretary may waive the requirements of
2 paragraph (1) or waive the requirements of paragraph (2)
3 with respect to an educational institution for a one-academic-year
4 period beginning in August of the year in
5 which the waiver is made. A single educational institution
6 may not receive waivers under this paragraph for more
7 than two consecutive academic years.

8 “(6) On an annual basis, the Secretary shall submit
9 to the Committees on Veterans’ Affairs of the House of
10 Representatives and the Senate, and make publicly available,
11 a report that includes the following:

12 “(A) A summary of each action described in
13 paragraph (4)(A) made during the year covered by
14 the report, including—

15 “(i) the name of the educational institution;
16

17 “(ii) the type of action taken;

18 “(iii) the rationale for the action, including
19 how the educational institution was not in compliance
20 with this subsection;

21 “(iv) the length of time that the educational
22 institution was not in such compliance;
23 and

24 “(v) whether the educational institution
25 was also not in compliance with this subsection

1 during any of the two years prior to the year
2 covered by the report.

3 “(B) A summary and justifications for the
4 waivers made under paragraph (5) during the year
5 covered by the report, including the total number of
6 waivers each educational institution has received.

7 “(C) Recommendations of the Secretary with
8 respect to any legislative actions the Secretary deter-
9 mines appropriate to ensure that this subsection is
10 carried out in a manner that is consistent with the
11 requirements that educational institutions must meet
12 for purposes of other departments or agencies of the
13 Federal Government.

14 “(7) In this subsection, the term ‘covered individual’
15 means an individual who is pursuing a course of education
16 at an educational institution under chapter 30, 32, 33,
17 or 35 of this title.”.

18 **SEC. 3. IMPROVEMENTS TO LIMITATION ON CERTAIN AD-**
19 **VERTISING, SALES, AND ENROLLMENT PRAC-**
20 **TICES.**

21 (a) SUBSTANTIAL MISREPRESENTATION.—

22 (1) IN GENERAL.—Subsection (a) of section
23 3696 of title 38, United States Code, is amended to
24 read as follows:

1 “(a) The Secretary shall not approve the enrollment
2 of an eligible veteran or eligible person in any course of-
3 fered by an institution, or by an entity that owns the insti-
4 tution, engaged in substantial misrepresentation described
5 in subsection (e)(1).”.

6 (2) DEFINITIONS.—Such section is amended by
7 adding at the end the following new subsection:

8 “(e)(1) Substantial misrepresentation described in
9 this paragraph is substantial misrepresentation by an edu-
10 cational institution, a representative of the institution, or
11 any person with whom the institution has an agreement
12 to provide educational programs, marketing, advertising,
13 recruiting or admissions services, concerning any of the
14 following:

15 “(A) The nature of the educational program of
16 the institution, including misrepresentation regard-
17 ing—

18 “(i) the particular type, specific source, or
19 nature and extent, of the accreditation of the
20 institution or a course of education at the insti-
21 tution;

22 “(ii) whether a student may transfer
23 course credits to another institution;

1 “(iii) conditions under which the institu-
2 tion will accept transfer credits earned at an-
3 other institution;

4 “(iv) whether successful completion of a
5 course of instruction qualifies a student—

6 “(I) for acceptance to a labor union or
7 similar organization; or

8 “(II) to receive, to apply to take, or to
9 take an examination required to receive a
10 local, State, or Federal license, or a non-
11 governmental certification required as a
12 precondition for employment, or to perform
13 certain functions in the States in which the
14 educational program is offered, or to meet
15 additional conditions that the institution
16 knows or reasonably should know are gen-
17 erally needed to secure employment in a
18 recognized occupation for which the pro-
19 gram is represented to prepare students;

20 “(v) the requirements for successfully com-
21 pleting the course of study or program and the
22 circumstances that would constitute grounds for
23 terminating the student’s enrollment;

24 “(vi) whether the courses of education at
25 the institution are recommended or have been

1 the subject of unsolicited testimonials or en-
2 dorsements by—

3 “(I) vocational counselors, high
4 schools, colleges, educational organizations,
5 employment agencies, members of a par-
6 ticular industry, students, former students,
7 or others; or

8 “(II) officials of a local or State gov-
9 ernment or the Federal Government;

10 “(vii) the size, location, facilities, or equip-
11 ment of the institution;

12 “(viii) the availability, frequency, and ap-
13 propriateness of the courses of education and
14 programs to the employment objectives that the
15 institution states the courses and programs are
16 designed to meet;

17 “(ix) the nature, age, and availability of
18 the training devices or equipment of the institu-
19 tion and the appropriateness to the employment
20 objectives that the institution states the courses
21 and programs are designed to meet;

22 “(x) the number, availability, and quali-
23 fications, including the training and experience,
24 of the faculty and other personnel of the insti-
25 tution;

1 “(xi) the availability of part-time employ-
2 ment or other forms of financial assistance;

3 “(xii) the nature and availability of any tu-
4 torial or specialized instruction, guidance and
5 counseling, or other supplementary assistance
6 the institution ill provide students before, dur-
7 ing, or after the completion of a course of edu-
8 cation;

9 “(xiii) the nature or extent of any pre-
10 requisites established for enrollment in any
11 course of education;

12 “(xiv) the subject matter, content of the
13 course of education, or any other fact related to
14 the degree, diploma, certificate of completion,
15 or any similar document that the student is to
16 be, or is, awarded upon completion of the
17 course of education; and

18 “(xv) whether the degree that the institu-
19 tion will confer upon completion of the course
20 of education has been authorized by the appro-
21 priate State educational agency, including with
22 respect to cases where the institution fails to
23 disclose facts regarding the lack of such author-
24 ization in any advertising or promotional mate-
25 rials that reference such degree.

1 “(B) The financial charges of the institution,
2 including misrepresentation regarding—

3 “(i) offers of scholarships to pay all or
4 part of a course charge;

5 “(ii) whether a particular charge is the
6 customary charge at the institution for a
7 course;

8 “(iii) the cost of the program and the re-
9 fund policy of the institution if the student does
10 not complete the program;

11 “(iv) the availability or nature of any fi-
12 nancial assistance offered to students, including
13 a student’s responsibility to repay any loans, re-
14 gardless of whether the student is successful in
15 completing the program and obtaining employ-
16 ment; and

17 “(v) the student’s right to reject any par-
18 ticular type of financial aid or other assistance,
19 or whether the student must apply for a par-
20 ticular type of financial aid, such as financing
21 offered by the institution.

22 “(C) The employability of the graduates of the
23 institution, including misrepresentation regarding—

24 “(i) the relationship of the institution with
25 any organization, employment agency, or other

1 agency providing authorized training leading di-
2 rectly to employment;

3 “(ii) the plans of the institution to main-
4 tain a placement service for graduates or other-
5 wise assist graduates to obtain employment;

6 “(iii) the knowledge of the institution
7 about the current or likely future conditions,
8 compensation, or employment opportunities in
9 the industry or occupation for which the stu-
10 dents are being prepared;

11 “(iv) job market statistics maintained by
12 the Federal Government in relation to the po-
13 tential placement of the graduates of the insti-
14 tution; and

15 “(v) other requirements that are generally
16 needed to be employed in the fields for which
17 the training is provided, such as requirements
18 related to commercial driving licenses or per-
19 mits to carry firearms, and failing to disclose
20 factors that would prevent an applicant from
21 qualifying for such requirements, such as prior
22 criminal records or preexisting medical condi-
23 tions.

24 “(2) In this subsection:

1 “(A) The term ‘misleading statement’ includes
2 any communication made in writing, visually, orally,
3 or through other means, that has the likelihood or
4 tendency to mislead the intended recipient of the
5 communication under the circumstances in which the
6 communication is made. Such term includes the use
7 of student endorsements or testimonials for an edu-
8 cational institution that a student gives to the insti-
9 tution either under duress or because the institution
10 required the student to make such an endorsement
11 or testimonial to participate in a program of edu-
12 cation.

13 “(B) The term ‘misrepresentation’ means any
14 false, erroneous, or misleading statement made di-
15 rectly or indirectly to a student, a prospective stu-
16 dent, the public, an accrediting agency, a State
17 agency, or to the Secretary by an eligible institution,
18 one of its representatives, or any person with whom
19 the institution has an agreement to provide edu-
20 cational programs, marketing, advertising, recruiting
21 or admissions services.

22 “(C) The term ‘substantial misrepresentation’
23 means misrepresentation in which the person to
24 whom it was made could reasonably be expected to

1 rely, or has reasonably relied, to that person's det-
2 riment."

3 (b) REFERRAL.—Subsection (c) of such section is
4 amended by striking the last sentence and inserting the
5 following: "The findings and results of any such investiga-
6 tions shall be referred to the State approving agency, or
7 the Secretary when acting in the role of the State approv-
8 ing agency, who shall take appropriate action in such cases
9 not later than 90 days after the date of such referral."

10 (c) REQUIREMENTS FOR NONACCREDITED
11 COURSES.—Paragraph (10) of section 3676(c) of such
12 title is amended to read as follows:

13 "(10) The institution, and any entity that owns
14 the institution, does not engage in substantial mis-
15 representation described in section 3696(e) of this
16 title. The institution shall not be deemed to have
17 met this requirement until the State approving agen-
18 cy—

19 "(A) has ascertained from the Federal
20 Trade Commission whether the Commission has
21 issued an order to the institution to cease and
22 desist from any act or practice described in
23 such subsection;

24 "(B) has, if such an order has been issued,
25 given due weight to that fact; and

1 “(C) has reviewed the complete record of
2 all advertising, sales, or enrollment materials
3 (and copies thereof) used by or on behalf of the
4 institution during the preceding 12-month pe-
5 riod.”.

6 **SEC. 4. APPLICATION DATE.**

7 The amendments made by this Act shall apply to an
8 educational institution beginning on the date that is 180
9 days after the date of the enactment of this Act.

○