[DISCUSSION DRAFT]

117TH CONGRESS
2D SESSION  H. R. ______

To amend title 38, United States Code, to provide for requirements relating to the approval and disapproval of courses of education for purposes of the educational assistance programs of the Department of Veterans Affairs, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

M. ____________ introduced the following bill; which was referred to the Committee on ____________

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A BILL

To amend title 38, United States Code, to provide for requirements relating to the approval and disapproval of courses of education 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
4 SECTION 1. SHORT TITLE.
5 This Act may be cited as the “___________________ Act of 2022”.

SEC. 2. APPROVAL REQUIREMENTS FOR ACCREDITED COURSES.

Section 3675 of title 38, United States Code, is amended—

(1) in subsection (b), by adding at the end the following new paragraphs:

“(5) The educational institution spends on classroom instruction at least half of the amount of funds it collects as tuition, as determined by the Secretary of Education.

“(6) During the first five years after graduating from a course of education offered by the educational institution—

“(A) at least half the graduates of the educational institution earned more than the median salary for people in the State where they reside who never received any postsecondary training (as determined pursuant to the American Community Survey data of the Census Bureau);

“(B) of the graduates who obtained student loans to pay for the course of education—

“(i) not more than 30 percent of such graduates were delinquent on their student loan payments; and
“(ii) not more than 20 percent of such graduates were in default on their student loan payments;

“(C) in the case of a course designed to prepare an individual for licensure or certification in a State, at least 75 percent of the individuals who completed the course passed the relevant licensing examination for the occupation.

“(7) The faculty members and instructors employed by the institution to teach courses in a program of education—

“(A) meet the minimum qualifications generally applicable to post-secondary instructors of comparable courses; and

“(B) hold a degree that is relevant to the course.

“(8) The educational institution ensures that each employee of the institution (including a contractor or agent) who provides information, advice, or opinions to prospective or enrolled student veterans regarding the decision to enroll at the institution, or who otherwise provides opinions or advice regarding the expected financial, academic, or career outcomes for prospective or enrolled students, acts
as a fiduciary who is obligated to dispense advice in
the best interest of the prospective or enrolled stu-
dent.”.

(2) by adding at the end the following new sub-
sections:

“(e) Each educational institution seeking approval
for an accredited course of education under this chapter
shall submit to the State approving agency, or the Sec-
retary when acting in the role of a State approving agency,
an annual report containing a certification of the informa-
tion referred to in subsection (b)(6) and (7).

“(f) In this section, the term ‘fiduciary’ has the
meaning given such term in section 7701 of the Internal
Revenue Code of 1986.”.

SEC. 3. APPROVAL REQUIREMENTS FOR NONACREDITED
COURSES.

Section 3676 of such title is amended—

(1) in subsection (c)—

(A) by redesignating paragraph (16) as
paragraph (20); and

(B) by inserting after paragraph (15) the
following new paragraphs:

“(16) The institution spends on classroom in-
struction at least half of the amount of funds it col-
lects as tuition, as determined by the Secretary of Education.

“(17) During the first five years after completing the course of education for which the institution seeks approval—

“(A) at least half the individuals who completed the course earned more than the median salary for people in the State where they reside who never received any postsecondary training (as determined pursuant to the American Community Survey data of the Census Bureau);

“(B) not more than 30 percent of such individuals were delinquent on their student loan payments;

“(C) not more than 20 percent of such individuals were in default on their student loan payments; and

“(D) in the case of a course designed to prepare an individual for licensure or certification in a State, at least 75 percent of the individuals who completed the course passed the relevant licensing examination for the occupation; and

“(18) The faculty members and instructors employed by the institution to teach the course of edu-
cation for which the institution is seeking approval—

“(A) have credentials that would qualify them for employment as faculty members or instructors for a majority of other courses of education in the relevant field of study; and

“(B) hold the degree being pursued by the students enrolled in the course of education.

“(19) The institution ensures that each employee of the institution (including a contractor or agent) who provides information, advice, or opinions to prospective or enrolled student veterans regarding the decision to enroll at the institution, or who otherwise provides opinions or advice regarding the expected financial, academic, or career outcomes for prospective or enrolled students, acts as a fiduciary who is obligated to dispense advice in the best interest of the prospective or enrolled student.”; and

(2) by adding at the end the following new subsections:

“(g) Each educational institution seeking approval for a nonaccredited course of education under this chapter shall submit to the State approving agency, or the Secretary when acting in the role of a State approving agency,
an annual report containing a certification of the information referred to in subsection (e)(17) and (18).

“(h) In this section, the term ‘fiduciary’ has the meaning given such term in section 7701 of the Internal Revenue Code of 1986.”.

SEC. 4. DISAPPROVAL OF COURSES OF EDUCATION.

Section 3679 of title 38, United States Code, is amended by adding at the end the following new subsection:

“(g) Notwithstanding any other provision of this chapter, a State approving agency, or the Secretary when acting in the role of the State approving agency, shall disapprove a course of education provided by an educational institution—

“(1) that has received payments under the heightened cash monitoring level 2 payment method pursuant to section 487(c)(1)(B) of the Higher Education Act of 1965 (20 U.S.C. 1094) or has been required to post a letter of credit to the Department of Education;

“(2) against which a government entity has brought an adverse action, including—

“(A) any punitive action taken by the Attorney General, the Federal Trade Commission, or any other Federal department or agency for
misconduct or misleading marketing practices that would violate the standards defined by the Secretary of Veterans Affairs;

“(B) any punitive action taken by a State against an educational institution;

“(C) the loss, or risk of loss, by an educational institution of an accreditation from an accrediting agency or association, including notice of probation, suspension, an order to show cause relating to the educational institution’s academic policies and practices or to its financial stability, or revocation of accreditation; or

“(D) the placement of an educational institution on provisional certification status by the Secretary of Education; or

“(3) that the State approving agency, or the Secretary when acting in the role of the State approving agency, determines has engaged in intimidating, threatening, coercing, or discriminating behavior against any eligible veteran or eligible student for the purpose of interfering with any right or privilege of the eligible veteran or eligible student or because the eligible veteran or eligible student has made a complaint, testified, assisted, or participated in any manner in an investigation, proceeding, or
hearing regarding the entitlement of the veteran or student to educational assistance under the laws administered by the Secretary.”.