



## Legislation in the 116<sup>th</sup> Congress Against the Sector

Do you want a list of the proposals currently offered in the 116<sup>th</sup> Congress to harm our sector and our ability to provide students with postsecondary career education? Here it is!

CECU is working hard to build bipartisan support for our important work. And we are challenging all legislation aimed exclusively at our sector. We continue to advocate for one set of rules (and legislation) that serve all sectors of higher education. We continue to call for common outcome metrics that define academic excellence for all programs at all schools. Such outcomes should be shared with the public, current, and prospective students through maximum transparency. Such common outcome metrics should serve as the basis for guardrails against poor performing programs by any school in any sector of higher education. We can protect both students and taxpayers at the same time! This is our goal.

### **The Court Legal Access and Student Support Act of 2019 (CLASS Act of 2019—Senate Bill [S. 608](#) and House Bill [H.R. 1430](#))**

*Introduced: 2/28/2019*

*Sponsor: Sen. Richard Durbin (D-IL)*

*Democratic Cosponsors: 7*

*Republican Cosponsors: None*

- Prohibits mandatory predispute arbitration agreements in enrollment agreements.
- Bans requiring students to sign class action waiver clauses.

### **The Jumpstart Our Businesses by Supporting Students Act of 2019 (JOBS Act of 2019—Senate Bill [S. 839](#) and House Bill [H.R. 3497](#))**

*Introduced: 3/14/2019*

*Sponsor: Sen. Tim Kaine (D-VA)*

*Democratic Cosponsors: 12*

*Republican Cosponsors: 5*

- Extends Federal Pell Grant funds to certain short-term job training programs.
- Defines an eligible job training program as one as short as 8 weeks.
- Excludes proprietary schools – only public and nonprofit schools eligible to participate.

**The Preventing Risky Operations from Threatening the Education and Career Trajectories of Students Act of 2019 (PROTECT Students Act—Senate Bill [S. 867](#) and House Bill [H.R. 3512](#))**

*Introduced: 3/26/2019*

*Sponsor: Sen. Margaret Wood Hassan (D-NH)*

*Democratic Cosponsors: 27 (includes Independent Bernie Sanders)*

*Republican Cosponsors: None*

- Changes the 90/10 rule to 85/15 and includes all sources of “Federal education assistance funds” for purposes of calculating the numerator. That includes GI Bill benefits and military tuition assistance.
- Revives the Obama-era gainful employment and borrower defense rules.
- Creates a For-Profit Education Oversight Committee.
- Changes the term *proprietary* to *for-profit*.
- Creates an enforcement unit at the Office of Federal Student Aid.
- Establishes a complaint resolution and tracking system.
- Makes certain restrictions on funds used for marketing, advertising, and lobbying activities.
- Expands on the incentive compensation ban.
- Outlines a process for conversions from for-profit to nonprofit or public status.
- Limits the use of arbitration in enrollment agreements and prohibits class action waiver clauses.

**CFPB Student Loan Integrity and Transparency Act of 2019 (House Bill [H.R. 2833](#) and Senate Bill [S. 720](#))**

*Introduced: 5/17/2019*

*Sponsor: Rep. Katie Porter (D-CA)*

*Democratic Cosponsors: 12*

*Republican Cosponsors: None*

- References predatory lenders and for-profit colleges, and “other unscrupulous businesses.”
- Finds the Consumer Financial Protection Bureau instrumental in shutting down for-profit schools.
- Requires information sharing related to student loans between the Department of Education and Consumer Financial Protection Bureau.
- Mandates loan servicers work with the Consumer Financial Protection Bureau.
- Prohibits the Department of Education from entering into a student loan service agreement unless the servicer agrees to provide student loan information to the Consumer Financial Protection Bureau.

**The For-Profit Fraud Act (House Bill [H.R. 3112](#))**

*Introduced: 6/5/2019*

*Sponsor: Rep. Maxine Waters (D-CA)*

*Democratic Cosponsors: None*

*Republican Cosponsors: None*

- Changes the 90/10 rule to 85/15, and defines Federal funds to include any funds provided under the Higher Education Act or any other Federal law. That includes GI Bill benefits and military tuition assistance.
- Prohibits a proprietary school from receiving any educational assistance funds from the Department of Veterans Affairs and Department of Defense during a period of title IV ineligibility due to noncompliance with 90/10.

**The Protecting Our Students and Taxpayers Act of 2019 (POST Act—Senate Bill [S. 1775](#) and House Bill [H.R. 3179](#))**

*Introduced: 6/11/2019*

*Sponsor: Sen. Richard Durbin (D-IL)*

*Democratic Cosponsors: 8 (includes Independent Bernie Sanders)*

*Republican Cosponsors: None*

- Changes the 90/10 rule to 85/15, and defines Federal funds to include any funds provided under the Higher Education Act or any other Federal law. That includes GI Bill benefits and military tuition assistance.
- Eliminates title IV eligibility after one year of noncompliance with 90/10.

**The Defending All Veterans In Education Act (DAVIE Act—House Bill [H.R. 3369](#))**

*Introduced: 6/19/2019*

*Sponsor: Rep. Donna Shalala (D-FL)*

*Democratic Cosponsors: 41*

*Republican Cosponsors: 1*

- Changes the 90/10 rule to 80/20, and defines Federal funds to include any funds provided under the Higher Education Act or any other Federal law. That includes GI Bill benefits and military tuition assistance.

**The Protections and Regulation for Our Students Act (PRO Students Act—House Bill [H.R. 3487](#))**

*Introduced: 6/25/2019*

*Sponsor: Rep. Mark Takano (D-CA)*

*Democratic Cosponsors: 4*

*Republican Cosponsors: None*

- Changes the 90/10 rule to 85/15, and defines Federal funds to include any funds provided under the Higher Education Act or any other Federal law. That includes GI Bill benefits and military tuition assistance.
- Limits default rate manipulation by scrutinizing branching, consolidation of campuses and OPE IDs, changes of ownership or control, and serial forbearance.
- Prohibits schools from using Federal student aid funds for marketing, advertising, and lobbying activities.
- Establishes a complaint tracking system.
- Creates a Proprietary Education Oversight Coordination Committee.
- Prohibits predispute arbitration agreements in enrollment agreements.
- Requires publication of a *Warning List for Parents and Students* comprised of proprietary schools meeting selected criteria.
- Lists *substantial misrepresentation* as a defense to repayment of a title IV loan.
- Expands on the incentive compensation ban.
- Allows for large civil penalties against schools engaged in substantial misrepresentation or other serious violation.
- Requires mandatory annual program reviews based on triggering events (e.g., proprietary schools that receive more than 80% in revenue from Federal funds during the two most recent years).

**To require proprietary for-profit educational institutions to comply with Federal revenue limits to participate in educational assistance programs of the Department of Veterans Affairs (a discussion draft on pending legislation—House Bill [Unnumbered](#))**

*Legislative hearing discussion: 7/17/2019 (Committee on Veterans' Affairs, Subcommittee on Economic Opportunity)*

- Creates a new 90/10 rule under the Department of Veterans Affairs, and defines Federal funds to include any funds provided under title 38, the Higher Education Act, or any other Federal law. That includes GI Bill benefits and military tuition assistance.
- Prohibits the Veterans Affairs Secretary or State approving agencies from approving a proprietary school's course of education unless the school complies with the Department of Veterans Affairs' new 90/10 rule.

**To require that certain educational institutions have letters of credit as a condition of approval for purposes of the educational assistance programs of the Department of Veterans Affairs, and for other purposes (a discussion draft on pending legislation—House Bill [Unnumbered](#))**

*Legislative hearing discussion: 7/17/2019 (Committee on Veterans' Affairs, Subcommittee on Economic Opportunity)*

- Mandates the Department of Veterans Affairs develop criteria to determine whether schools are at risk of closure due to financial instability. Criteria must minimally include loss of accreditation, being placed on heightened cash monitoring by the Department of Education, excess complaints from students, and placement of the school on show-cause.
- Requires the Department of Veterans Affairs collect its own separate letter of credit from a school if the Veterans Affairs Secretary determines the school is financially unstable or the Department of Education requires the school to submit a letter of credit under title IV.

**The Student and Taxpayer Protection Act (House Bill [H.R. 4026](#))**

*Introduced: 8/23/2019*

*Sponsor: Rep. Mark Takano (D-CA)*

*Democratic Cosponsors: 1*

*Republican Cosponsors: None*

- Revives the Obama-era gainful employment accountability and transparency framework.
- Requires the Education Secretary to establish performance metrics that include debt-to-earnings ratios of all programs and a threshold rate that each career program must meet to be eligible for title IV funds.
- Mandates schools disclose to enrolled and prospective students, as well as on their websites, information about student debt-to-earnings rate and whether the program is eligible for title IV funds or has received sanctions.

## Legislation in the 115<sup>th</sup> Congress Against the Sector

This legislation was included in this list because it represents the proposal offered by the Democrat Majority last year as their recommendations for reauthorization of the Higher Education Act. We expect this will be the basis for any House proposals for reauthorization in the 116<sup>th</sup> Congress.

### **The Aim Higher Act (House Bill [H.R. 6543](#))**

*Introduced: 7/26/2018*

*Sponsor: Rep. Bobby Scott (D-VA)*

*Democratic Cosponsors: 86*

*Republican Cosponsors: None*

- Alternative to Republicans' PROSPER Act ([H.R. 4508](#))
- Changes the 90/10 rule to 85/15, and includes all sources of "Federal education assistance funds" for purposes of calculating the numerator. This also includes GI Bill benefits and military tuition assistance.
- Makes certain restrictions on funds used for marketing, advertising, recruiting, and lobbying activities.
- Outlines several new factors the Education Secretary must consider before approving conversion from for-profit to nonprofit status.
- Prohibits predispute arbitration agreements and class action waiver clauses.
- Codifies full relief and return of payments made on loans if borrower defrauded by school.

Please don't hesitate to contact CECU's Government Relations Team with any questions at [cecugovernmentrelations@career.org](mailto:cecugovernmentrelations@career.org) or 571-970-3954.