

Summary of the Durbin/Harkin Bill: *To establish the Proprietary Education Oversight Coordination Committee*

Establishes a committee that will be called the “Proprietary Education Oversight Coordination Committee” which will consist of the heads (or the designee of the heads) of each of the following Federal entities; Department of Education, Consumer Finance Protection Bureau, Department of Justice, Securities Exchange Commission, Department of Defense, Veterans Affairs, Federal Trade Commission, Department of Labor, Internal Revenue Service and any other relevant agency the President of the United States adds. The bill would require the Committee to meet regularly but no less than once a quarter of each fiscal year. The bill requires the Committee to meet at least once a year with State Attorneys General (AG).

The Committee (chaired by the Department of Education) will coordinate Federal oversight of proprietary institutions of higher education (IHEs) with the goal to

- improve the enforcement of applicable Federal laws and regulations
- increase accountability of proprietary institutions to students and taxpayers
- ensure the promotion of quality education programs
- coordinate Federal activities to protect students from unfair, deceptive, abusive, unethical, fraudulent, or predatory practices, policies, or procedures of proprietary IHEs
- encourage information sharing among agencies related to Federal investigations, audits, or inquiries of proprietary IHEs
- Increase coordination and cooperation between Federal and State agencies, including State AGs and State approval agencies, with the goal to improve oversight and accountability of proprietary IHEs
- Develop best practices and consistency among Federal and State agencies in the dissemination of consumer information regarding proprietary IHEs to ensure that students, parents and other stakeholders have easy access to such information

The bill requires the Committee to submit a report to the Senate Health Education Labor and Pensions Committee and the House Education and Workforce Committee annually. The report will be made available to the public. The report will include:

- An accounting of any action taken by the Federal Government, any member of the Committee or a State to;
 - Enforce Federal or State laws and regulations applicable to proprietary IHEs
 - Hold proprietary IHEs accountable to students and taxpayers
 - Promote quality education programs
- A summary of complaints against each proprietary IHE received by members of the Committee
- Any data relevant to proprietary IHEs such as;
 - Industry-wide data on all proprietary IHEs that consists of information regarding;
 - The total amount of Federal education assistance that proprietary IHEs received for the previous Award Year (AY) and the percentage of the total amount of Federal education assistance that went to proprietary IHEs
 - The data is to be disaggregated by the type of Federal education assistance
 - The percentage of the total amount of Federal education assistance provided to IHEs as defined in section 102 of Higher Education Act (HEA) for the previous AY for each of the programs listed in section 102 of HEA
 - The average retention and graduation rates for students pursuing a degree at proprietary IHEs
 - The average Cohort Default Rate (CDR) for proprietary IHEs and an annual list of CDRs for all proprietary IHEs
 - For careers requiring the passage of a licensing examination
 - The passage rate of individuals who attended proprietary IHEs
 - The passage rate of all individuals
 - The use of private education loans at proprietary IHEs that includes;
 - An estimate of the total number of such loans

- Information on the average debt, default rate, and interest rate
- Data on Publicly Traded IHEs
 - Any pre-tax profit at each corporation
 - Reported as a total amount and an average percent of revenue each corporation applicable, broken down by corporation
 - Revenue spent on recruiting, marketing, student instruction, and student support services as a total amount, average amount and broken down by each applicable corporation
 - Total compensation packages of the executive officers of each corporation
 - A list of institutional loan programs offered by each corporation and the default and interest rates offered at each program
 - The data is to be disaggregated by corporate or parent entity, brand name, and campus
 - The total cost of attendance for each program at each proprietary IHE compared to the average cost of attendance at a public IHE and the average cost of attendance at all IHEs including private IHEs
 - Total enrollment broken down by online programs, campus based programs,
 - Average retention and graduation rates
 - Completion rates broken down by on time and within 150% of program length
 - Total cost of each program at each institution
 - Average CDR and an annual list of CDRs for each corporation
 - Median educational debt for graduates
 - Median educational debt for non-completers
 - Placement rates for completers
 - Exam passage rates for completers
 - Number of complaints from enrolled students submitted to any member of the Committee
 - Revenue from Department of Defense educational assistance programs
 - If practicable the data for publicly traded corporations is to be compared to similar data for public IHEs
- Recommendations for legislative and administrative actions to;
 - Improve enforcement of applicable Federal Laws
 - Increase accountability of proprietary IHEs to students and taxpayers
 - Ensure the promotion of quality programs
- The Committee is directed to publish a “For-Profit College Warning List for Parents and Students”
 - IHEs on the list should have:
 - Engaged in illegal activity during the previous AY
 - Entered into a settlement resulting in monetary payment
 - Have had any program withdrawn or suspended
 - IHEs the Committee has sufficient evidence of widespread or systematic unfair, deceptive, unethical, fraudulent or predatory practices, policies or procedures that pose a threat to academic success, financial security, or general best interest of students
 - Evidence can include, complaints, audit results, Federal penalties, data submitted to accrediting agencies
 - List is to be published by July 1 of each year