

# Union Calendar No. 151

113TH CONGRESS  
1ST SESSION

# H. R. 2637

[Report No. 113-205]

To prohibit the Secretary of Education from engaging in regulatory overreach with regard to institutional eligibility under title IV of the Higher Education Act of 1965, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 10, 2013

Ms. FOXX (for herself, Mr. KLINE, and Mr. HASTINGS of Florida) introduced the following bill; which was referred to the Committee on Education and the Workforce

SEPTEMBER 10, 2013

Additional sponsors: Mr. BARLETTA, Mr. DESJARLAIS, Mr. WALBERG, Mr. PRICE of Georgia, Mrs. ROBY, Mr. ROKITA, Mr. RIBBLE, and Mr. MATHESON

SEPTEMBER 10, 2013

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on July 10, 2013]

# **A BILL**

To prohibit the Secretary of Education from engaging in regulatory overreach with regard to institutional eligibility under title IV of the Higher Education Act of 1965, 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 “Supporting Academic*  
5 *Freedom through Regulatory Relief Act”.*

6 **SEC. 2. REGULATORY RELIEF.**

7        *(a) REGULATIONS REPEALED.—*

8                *(1) REPEAL.—The following regulations (includ-*  
9 *ing any supplement or revision to such regulations)*  
10 *are repealed and shall have no legal effect:*

11                        *(A) STATE AUTHORIZATION.—Sections*  
12 *600.4(a)(3), 600.5(a)(4), 600.6(a)(3), 600.9, and*  
13 *668.43(b) of title 34, Code of Federal Regulations*  
14 *(relating to State authorization), as added or*  
15 *amended by the final regulations published by*  
16 *the Department of Education in the Federal*  
17 *Register on October 29, 2010 (75 Fed. Reg.*  
18 *66832 et seq.).*

19                        *(B) DEFINITION OF CREDIT HOUR.—The*  
20 *definition of the term “credit hour” in section*  
21 *600.2 of title 34, Code of Federal Regulations, as*  
22 *added by the final regulations published by the*  
23 *Department of Education in the Federal Register*  
24 *on October 29, 2010 (75 Fed. Reg. 66946), and*  
25 *clauses (i)(A), (ii), and (iii) of subsection (k)(2)*

1           of section 668.8 of such title, as amended by such  
2           final regulations (75 Fed. Reg. 66949 et seq.).

3           (C) *GAINFUL EMPLOYMENT.*—Sections  
4           600.10(c), 600.20(d), 668.6, and 668.7, of title  
5           34, Code of Federal Regulations as added or  
6           amended by the final regulations published by  
7           the Department of Education in the Federal  
8           Register on October 29, 2010 (75 Fed. Reg.  
9           66832 et seq. and 75 Fed. Reg. 66665 et seq.)  
10          and June 13, 2011 (76 Fed. Reg. 34386 et seq.).

11          (2) *EFFECT OF REPEAL.*—To the extent that reg-  
12          ulations repealed by paragraph (1) amended regula-  
13          tions that were in effect on June 30, 2011, the provi-  
14          sions of the regulations that were in effect on June 30,  
15          2011, and were so amended are restored and revived  
16          as if the regulations repealed by paragraph (1) had  
17          not taken effect.

18          (b) *CERTAIN REGULATIONS PROHIBITED.*—

19                 (1) *STATE AUTHORIZATION AND GAINFUL EM-*  
20                 *PLOYMENT.*—

21                         (A) *IN GENERAL.*—The Secretary of Edu-  
22                         cation shall not, during the period described in  
23                         subparagraph (B), promulgate or enforce any  
24                         regulation or rule not in effect on the date of en-  
25                         actment of this Act for any purpose under the

1           *Higher Education Act of 1965 (20 U.S.C. 1001*  
2           *et seq.) with respect to—*

3                     *(i) the State authorization for institu-*  
4                     *tions of higher education to operate within*  
5                     *a State; or*

6                     *(ii) the definition or application of the*  
7                     *term “gainful employment”.*

8                     *(B) PERIOD OF PROHIBITION.—The period*  
9                     *during which the Secretary is prohibited from*  
10                    *promulgating or enforcing a regulation described*  
11                    *in subparagraph (A) shall be the period begin-*  
12                    *ning on the date of enactment of this Act and*  
13                    *ending on the date of enactment of a law that ex-*  
14                    *tends by not less than 2 fiscal years the author-*  
15                    *ization or duration of one or more programs*  
16                    *under the Higher Education Act of 1965 (20*  
17                    *U.S.C. 1001 et seq.).*

18                    *(2) CREDIT HOUR.—The Secretary of Education*  
19                    *shall not, on or after the date of enactment of this*  
20                    *Act, promulgate or enforce any regulation or rule*  
21                    *with respect to the definition of the term “credit*  
22                    *hour” for any purpose under the Higher Education*  
23                    *Act of 1965 (20 U.S.C. 1001 et seq.).*

1 **SEC. 3. THIRD-PARTY SERVICE PROVIDERS.**

2       Section 487(a)(20) of the Higher Education Act of  
3 1965 (20 U.S.C. 1094(a)(20)) is amended by adding at the  
4 end the following: “Notwithstanding the preceding sentence,  
5 an institution described in section 101 may provide pay-  
6 ment, based on the amount of tuition generated by the insti-  
7 tution from student enrollment, to a third-party entity that  
8 provides a set of services to the institution that includes  
9 student recruitment services, regardless of whether the third-  
10 party entity is affiliated with an institution that provides  
11 educational services other than the institution providing  
12 such payment, if—

13               “(A) the third-party entity is not affiliated  
14 with the institution providing such payment;

15               “(B) the third-party entity does not make  
16 compensation payments to its employees that are  
17 prohibited under this paragraph;

18               “(C) the set of services provided to the insti-  
19 tution by the third-party entity include services  
20 in addition to student recruitment services, and  
21 the institution does not pay the third-party enti-  
22 ty solely or separately for student recruitment  
23 services provided by the third-party entity; and

24               “(D) any student recruitment information  
25 available to the third-party entity, including  
26 personally identifiable information, will not be

1           *used by, shared with, or sold to any other person*  
2           *or entity, including any institution that is affili-*  
3           *ated with the third-party entity.”.*

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