

107TH CONGRESS
2^D SESSION

H. R. 5501

To amend the Higher Education Act of 1965 to provide greater academic freedom for institutions of higher education, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 30, 2002

Mr. PETRI introduced the following bill; which was referred to the Committee on Education and the Workforce

A BILL

To amend the Higher Education Act of 1965 to provide greater academic freedom for institutions of higher education, 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; REFERENCES.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “Higher Education Accrediting Agency Responsibility Act
6 of 2002”.

7 (b) **REFERENCES TO HIGHER EDUCATION ACT OF**
8 1965.—Except as otherwise expressly provided, whenever
9 in this Act an amendment or repeal is expressed in terms
10 of an amendment to, or repeal of, a section or other provi-

1 sion, the reference shall be considered to be made to a
2 section or other provision of the Higher Education Act of
3 1965.

4 **SEC. 2. FINDINGS AND PURPOSES.**

5 (a) FINDINGS.—Congress finds the following:

6 (1) Accrediting agencies were originally in-
7 tended to provide voluntary, nongovernmental over-
8 sight of institutions of higher education.

9 (2) However, Congress has allowed accreditors
10 to become gatekeepers of more than
11 \$40,000,000,000 of Federal student aid funds due
12 to such agencies role, enshrined in current Federal
13 law, to help determine an institution's eligibility to
14 participate in Federal student aid programs.

15 (3) More effective and less costly mechanisms
16 are already in place to protect students and parents,
17 as no institution can receive Federal funds until the
18 Department of Education certifies its financial and
19 administrative capacity. Additionally, the amount of
20 useful information publicly available about the qual-
21 ity of academic institutions has grown dramatically
22 in recent years and now far exceeds the minimal
23 amount conveyed by the accreditation system.

24 (4) It is virtually unknown for an institution to
25 be denied accreditation because of low educational

1 values, despite growing public concern that Amer-
2 ican college graduates are lacking the skills nec-
3 essary for participation in civic life.

4 (5) The time and effort required of institutions
5 of higher education to comply with the accreditation
6 process imposes costs which must ultimately be
7 borne by students and parents.

8 (b) PURPOSES.—The purposes of this Act are as fol-
9 lows:

10 (1) To refocus the purpose of accreditation on
11 providing comparative information about the quality
12 of institutions of higher education, rather than de-
13 termining student aid eligibility, which should prop-
14 erly be the responsibility of the Department of Edu-
15 cation.

16 (2) To end the virtual monopoly that today's
17 accrediting agencies enjoy, and require them to oper-
18 ate in a competitive environment like any other in-
19 dustry.

20 **SEC. 3. AMENDMENTS AND REPEALS.**

21 (a) QUALIFICATION OF INSTITUTIONS OF HIGHER
22 EDUCATION.—Section 101 of the Higher Education Act
23 of 1965 (20 U.S.C. 1001) is amended—

24 (1) in subsection (a)—

1 (A) by adding “and” at the end of para-
2 graph (3);

3 (B) by striking “; and” at the end of para-
4 graph (4) and inserting a period; and

5 (C) by striking paragraph (5); and

6 (2) by striking subsection (e).

7 (b) QUALIFICATION OF PROPRIETARY INSTITUTIONS
8 OF HIGHER EDUCATION.—Section 102(b)(1) (20 U.S.C.
9 1002(b)(1)) is amended—

10 (1) by striking subparagraph (D); and

11 (2) by redesignating subparagraphs (E) and
12 (F) as subparagraphs (D) and (E), respectively.

13 (c) NATIONAL ADVISORY COMMITTEE ON INSTITU-
14 TIONAL QUALITY AND INTEGRITY.—Section 114 (20
15 U.S.C. 1011c) is repealed.

16 (d) DISCLOSURES OF FOREIGN GIFTS.—Section
17 117(h)(4) (20 U.S.C. 1011f(h)(4)) is amended—

18 (1) by adding “and” at the end of subpara-
19 graph (A); and

20 (2) by striking subparagraph (C).

21 (e) TITLE III ELIGIBLE INSTITUTIONS.—Section
22 312(b)(1) (20 U.S.C. 1058(b)(1)) is amended—

23 (1) by striking subparagraph (D); and

24 (2) by redesignating subparagraphs (E) and
25 (F) as subparagraphs (D) and (E), respectively.

1 (f) TITLE III DEFINITIONS.—Section 322(2) (20
2 U.S.C. 1061(2)) is amended—

3 (1) by inserting “and” after “1964,”; and

4 (2) by striking “and that is accredited” and all
5 that follows through “toward accreditation,”.

6 (g) HBCU CAPITAL FINANCING.—Section 342(5)
7 (20 U.S.C. 1066a(5)) is amended—

8 (1) by adding “and” at the end of subpara-
9 graph (F);

10 (2) by striking subparagraph (G); and

11 (3) by redesignating subparagraph (H) as sub-
12 paragraph (G).

13 (h) CONFORMING AMENDMENT.—Section 365 (20
14 U.S.C. 1067k) is amended—

15 (1) by striking paragraph (1); and

16 (2) by redesignating paragraphs (2) through
17 (9) as paragraphs (1) through (8), respectively.

18 (i) DISTANCE EDUCATION DEMONSTRATION PRO-
19 GRAMS.—Section 486(c)(2) (20 U.S.C. 1093(c)(2)) is
20 amended—

21 (1) by striking subparagraph (A); and

22 (2) by redesignating subparagraphs (B)
23 through (F) as subparagraphs (A) through (E), re-
24 spectively.

1 (j) PROGRAM PARTICIPATION AGREEMENTS.—Sec-
2 tion 487 (20 U.S.C. 1094) is amended—

3 (1) in subsection (a)(3)—

4 (A) by adding “and” at the end of sub-
5 paragraph (A);

6 (B) by striking “; and” at the end of sub-
7 paragraph (B) and inserting a period; and

8 (C) by striking subparagraph (C);

9 (2) in subsection (a)(15), by striking “accred-
10 iting agencies,”;

11 (3) in subsection (a)(21), by striking “and ac-
12 crediting agencies or associations”; and

13 (4) in subsection (c)(5)—

14 (A) by inserting “and” after “eligible lend-
15 ers,”; and

16 (B) by striking “, and accrediting agencies
17 or associations”.

18 (k) ACCREDITING AGENCY RECOGNITION.—Section
19 496 (20 U.S.C. 1099b) is repealed.

20 (l) ELIGIBILITY AND CERTIFICATION PROCE-
21 DURES.—Section 498 (20 U.S.C. 1099c) is amended—

22 (1) in subsection (a), by striking “accredita-
23 tion”; and

24 (2) in subsection (b), by striking “accredita-
25 tion,” each place it appears.

1 **SEC. 4. EFFECTIVE DATE.**

2 The amendments made by this Act shall apply be ef-
3 fective on September 1, 2002.

○