116TH CONGRESS
1ST SESSION

H. R. ______

To amend the Higher Education Act of 1965 to require an institution of higher education to submit a teach-out plan under certain circumstances, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Ms. SHALALA introduced the following bill; which was referred to the Committee on ________________________

A BILL

To amend the Higher Education Act of 1965 to require an institution of higher education to submit a teach-out plan under certain circumstances, and for other purposes.

1 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

2 SECTION 1. SHORT TITLE.

4 This Act may be cited as the “Stop College Closures Act of 2019”.

5
SEC. 2. REQUIREMENTS FOR ACCREDITING AGENCY RECOGNITION.

Section 496 of the Higher Education Act of 1965 (20 U.S.C. 1099b) is amended—

(1) in subsection (c)—

(A) in paragraph (2), by inserting before the semicolon at the end the following: "or decline";

(B) by amending paragraph (3) to read as follows:

"(3) requires an institution to submit for approval to the accrediting agency or association a teach-out plan upon the occurrence of any of the following events—

"(A) the Secretary notifies the agency or association that the Secretary has determined under section 498(c) that the institution does not have the financial responsibility required by this title;

"(B) the Secretary notifies the agency of a determination by the institution's independent auditor expressing doubt with the institution's ability to operate as a going concern or indicating an adverse opinion or finding of material weakness related to financial stability, except
that this subparagraph shall not apply with respect to a public institution;

"(C) the agency or association acts to place an institution on probation, show cause, or equivalent status; or

"(D) the Secretary notifies the agency that the institution is participating in title IV under a provisional program participation agreement;";

(C) by amending paragraph (6) to read as follows:

"(6) requires that teach-out agreements among institutions are subject to approval by the accrediting agency or association consistent with standards promulgated by such agency or association, and that such an agreement shall be required and subject to such approval upon the occurrence of any of the following events:

"(A) the Secretary notifies the agency or association that—

"(i) the Secretary has placed the institution on the reimbursement payment method pursuant to section 487(e)(1)(B); and
“(ii) the institution fails to meet criteria prescribed by the Secretary regarding ratios that demonstrate financial responsibility as described in section 498(c)(2);

“(B) the Secretary notifies the accrediting agency or association that the Secretary has initiated—

“(i) an emergency action against the institution pursuant to section 487(c)(1)(G); or

“(ii) an action under section 487(c)(1)(F) to limit, suspend, or terminate the participation of the institution in any program under this title;

“(C) the accrediting agency or association acts to withdraw, terminate, or suspend the accreditation of the institution;

“(D) the institution notifies the accrediting agency or association that the institution intends to cease operations;

“(E) the institution notifies the accrediting agency or association that the institution intends to close a location that provides one hundred percent of at least one program; or
“(F) pursuant to section 495, the State notifies the accrediting agency or association that an institution’s license or legal authorization to operate within the State has been or will be revoked;”;

(D) in paragraph (8), by striking “and” at the end;

(E) in paragraph (9)(B), by striking the period at the end and inserting “; and”;

(F) by adding at the end the following:

“(10) responds to complaints received with respect to an institution during the period during which the accrediting agency or association accredits such institution not later than 30 days after receiving the complaint (including complaints shared with the agency or association by the Secretary or a State agency under section 495), monitors and assesses an institution’s record of student complaints during such period, and submits such complaints to the Secretary and to the State agency involved.”.