

S 2993

Students Before Profits Act

Congress: 113 (2013–2015, Ended)

Chamber: Senate

Policy Area: Education

Introduced: Dec 10, 2014

Current Status: Read twice and referred to the Committee on Health, Education, Labor, and Pensions.

Latest Action: Read twice and referred to the Committee on Health, Education, Labor, and Pensions. (Dec 10, 2014)

Official Text: <https://www.congress.gov/bill/113th-congress/senate-bill/2993>

Sponsor

Name: Sen. Murphy, Christopher [D-CT]

Party: Democratic • **State:** CT • **Chamber:** Senate

Cosponsors (1 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Harkin, Tom [D-IA]	D · IA		Dec 10, 2014

Committee Activity

Committee	Chamber	Activity	Date
Health, Education, Labor, and Pensions Committee	Senate	Referred To	Dec 10, 2014

Subjects & Policy Tags

Policy Area:

Education

Related Bills

Bill	Relationship	Last Action
113 S 2954	Related bill	Nov 20, 2014: Read twice and referred to the Committee on Health, Education, Labor, and Pensions.

Students Before Profits Act - Amends title IV (Student Assistance) of the Higher Education Act of 1965 (HEA) to require the Secretary of Education to: (1) use corrected data and information to recalculate the cohort default rates for institutions of higher education (IHEs) that have engaged in default manipulation, and (2) use the recalculated cohort default rates to redetermine whether those IHEs are disqualified from participating in title IV programs. (The cohort default rate represents the percentage of a school's borrowers who begin to repay Federal Family Education Loans [FFELs] or William D. Ford Federal Direct Loans [DLs] in a fiscal year but default on those loans before the end of the second fiscal year following the fiscal year they began repaying them.)

Directs the Secretary to establish an Institutional Risk-Sharing Commission to study and make recommendations for the implementation of a new risk-sharing system that holds IHEs that participate in the DL program financially accountable for poor student outcomes.

Authorizes the Secretary to:

- impose a civil penalty on IHEs that engage in certain substantial misrepresentations or other serious HEA violations;
- impose smaller civil penalties on IHEs that engage in less serious title IV violations;
- impose employment sanctions and civil penalties against the officer of an IHE who knowingly and willfully, or with gross negligence, violates a title IV provision;
- limit, suspend, or terminate an IHE's participation in title IV programs for violating a title IV provision or any applicable special arrangement, agreement, or limitation; and
- take emergency action to withhold funds from an IHE or its students and withdraw the IHE's authority to obligate title IV funds in certain circumstances where immediate action is required to prevent the misuse of federal funds.

Provides for the use of the civil penalties to: (1) conduct program reviews and ensure the integrity of IHEs participating or seeking to participate in title IV programs; and (2) finance a Student Relief Fund that is to be used to provide financial relief to any student enrolled in an IHE that fails to comply with the HEA's eligibility requirements or the terms of its title IV program participation agreement or that has been sanctioned pursuant to this Act's penalty provisions.

Actions Timeline

- **Dec 10, 2014:** Introduced in Senate
- **Dec 10, 2014:** Read twice and referred to the Committee on Health, Education, Labor, and Pensions.