

S 406

Students First Act of 2013

Congress: 113 (2013–2015, Ended)

Chamber: Senate

Policy Area: Education

Introduced: Feb 28, 2013

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. (Feb 28, 2013)

Official Text: <https://www.congress.gov/bill/113th-congress/senate-bill/406>

Sponsor

Name: Sen. Lautenberg, Frank R. [D-NJ]

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

Cosponsors (3 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Durbin, Richard J. [D-IL]	D · IL		Feb 28, 2013
Sen. Harkin, Tom [D-IA]	D · IA		Feb 28, 2013
Sen. Rockefeller, John D., IV [D-WV]	D · WV		Feb 28, 2013

Committee Activity

Committee	Chamber	Activity	Date
Health, Education, Labor, and Pensions Committee	Senate	Referred To	Feb 28, 2013

Subjects & Policy Tags

Policy Area:

Education

Related Bills

No related bills are listed.

Students First Act of 2013 - Amends the Higher Education Act of 1965 to revise the process for reviewing an institution of higher education's (IHE's) compliance with Student Assistance program requirements under title IV.

Directs the Secretary of Education to conduct either mandatory or risk-based program reviews, including on-site visits, of IHEs that pose a significant risk of failing to comply with those requirements.

Requires mandatory reviews to be conducted annually on IHEs that meet certain criteria that include: (1) high student loan default rates; (2) the receipt, in the case of proprietary schools, of more than 85% of their revenue from federal funds; (3) high complaint rates; (4) low graduation rates; (5) the expenditure of more than 20% of their revenues on recruiting, marketing, and executive compensation; (6) burgeoning enrollment rates; (7) the manipulation of student loan default rates; (8) placement on probation or show cause by their accrediting agency; and (9) other compliance problems the IHE acknowledges or a state or federal agency discovers.

Requires an IHE to inform students and prospective students that it will be subject to a mandatory program review and the reason for such review.

Directs the Secretary to annually conduct a risk-based review of at least 2% of the IHEs that are not subject to a mandatory review. Lists the risk factors that would warrant such a review, including a change in a proprietary school's ownership or for-profit status.

Authorizes the Secretary to conduct additional program reviews of IHEs that are not determined to pose a significant risk of violating title IV requirements.

Requires an IHE that is found to have knowingly and willfully or with gross negligence violated a title IV requirement to inform students of that finding until the violation is rectified or one year after the final program review report concerning that violation is issued, whichever comes last.

Requires program reviews to include, at a minimum, an assessment of specified institutional information and student information.

Requires the Secretary to immediately sanction any IHE that, after the full program review process, is found to have violated a title IV requirement. Sets forth those sanctions, including sanctions applicable to officers of IHEs.

Provides for the establishment of a Student Relief Fund to assist students attending sanctioned schools.

Directs the Secretary to conduct a follow-up review of each IHE found to be in violation of a title IV requirement within one year of that finding to determine whether the violation has been rectified.

Requires the Secretary to establish: (1) a central database of information on IHE accreditation, eligibility, and certification; and (2) a single, toll-free telephone number, website, database, and office to facilitate the centralized collection of, monitoring of, and response to student and staff complaints regarding IHEs.

Requires the President, Chief Executive Officer, and Chief Financial Officer of each IHE participating in the title IV program to sign the IHE's participation agreement and be liable for the school's compliance with that agreement and program requirements.

Actions Timeline

- **Feb 28, 2013:** Introduced in Senate
- **Feb 28, 2013:** Read twice and referred to the Committee on Health, Education, Labor, and Pensions.