

PROVIDING FOR CONSIDERATION OF H.R. 1992, INTERNET
EQUITY AND EDUCATION ACT OF 2001

OCTOBER 9, 2001.—Referred to the House Calendar and ordered to be printed

Mr. LINDER, from the Committee on Rules,
submitted the following

REPORT

[To accompany H. Res. 256]

The Committee on Rules, having had under consideration House Resolution 256, by a nonrecord vote, report the same to the House with the recommendation that the resolution be adopted.

SUMMARY OF PROVISIONS OF THE RESOLUTION

The resolution provides for consideration of H.R. 1992, the Internet Equity and Education Act of 2001, under a modified closed rule. The rule provides one hour of general debate equally divided and controlled by the chairman and ranking minority member of the Committee on Education and the Workforce. The rule provides that the amendment recommended by the Committee on Education and the Workforce now printed in the bill shall be considered as adopted. The rule waives all points of order against consideration of the bill.

The rule provides for consideration of an amendment in the nature of a substitute printed in this report, if offered by Representative Mink or a designee, which shall be considered as read and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent. The rule waives all points of order against the amendment in the nature of a substitute.

Finally, the rule provides one motion to recommit with or without instructions.

SUMMARY OF AMENDMENT MADE IN ORDER UNDER THE RULE

(Summary derived from information provided by sponsor.)

Mink—Amendment in the Nature of a Substitute. Allows institutions of higher education that meet a high standard of financial responsibility by having default rates lower than 10% to be exempt

from the 50% provisions which restrict the number of courses offered through distance education and the number of students who may enroll in distance education courses.

TEXT OF AMENDMENT MADE IN ORDER UNDER THE RULE

AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE MINK OF HAWAII, OR A DESIGNEE, DEBATABLE FOR 60 MINUTES

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Internet Equity and Education Act of 2001”.

SEC. 2. EXCEPTION TO 50 PERCENT CORRESPONDENCE COURSE LIMITATIONS.

(a) **DEFINITION OF INSTITUTION OF HIGHER EDUCATION FOR TITLE IV PURPOSES.**—Section 102(a) of the Higher Education Act of 1965 (20 U.S.C. 1002(a)) is amended by adding at the end the following new paragraph:

“(7) **EXCEPTION TO LIMITATION BASED ON COURSE OF STUDY.**—Courses offered via telecommunications (as defined in section 484(l)(4)) shall not be considered to be correspondence courses for purposes of subparagraph (A) or (B) of paragraph (3) for any institution that—

“(A) is participating in either or both of the loan programs under part B or D of title IV on the date of enactment of the Internet Equity and Education Act of 2001;

“(B) has a cohort default rate (as determined under section 435(m)) for each of the 3 most recent fiscal years for which data are available that is less than 10 percent; and

“(C)(i) has notified the Secretary, in a form and manner prescribed by the Secretary (including such information as the Secretary may require to meet the requirements of clause (ii)), of the election by such institution to qualify as an institution of higher education by means of the provisions of this paragraph; and

“(ii) the Secretary has not, within 90 days after such notice, and the receipt of any information required under clause (i), notified the institution that the election by such institution would pose a significant risk to Federal funds and the integrity of programs under title IV.”.

(b) **DEFINITION OF ELIGIBLE STUDENT.**—Section 484(l)(1) of the Higher Education Act of 1965 (20 U.S.C. 1091(l)(1)) is amended by adding at the end the following new subparagraph:

“(C) **EXCEPTION TO 50 PERCENT LIMITATION.**—Notwithstanding the 50 percent limitation in subparagraph (A), a student enrolled in a course of instruction described in such subparagraph shall not be considered to be enrolled in correspondence courses if the student is enrolled in an institution that—

“(i) is participating in either or both of the loan programs under part B or D of title IV on the date of enactment of the Internet Equity and Education Act of 2001;

“(ii) has a cohort default rate (as determined under section 435(m)) for each of the 3 most recent fiscal years for which data are available that is less than 10 percent; and

“(iii)(I) has notified the Secretary, in form and manner prescribed by the Secretary (including such information as the Secretary may require to meet the requirements of subclause (II)), of the election by such institution to qualify its students as eligible students by means of the provisions of this subparagraph; and

“(II) the Secretary has not, within 90 days after such notice, and the receipt of any information required under subclause (I), notified the institution that the election by such institution would pose a significant risk to Federal funds and the integrity of programs under title IV.”.

SEC. 3. EVALUATION AND REPORT.

(a) INFORMATION FROM INSTITUTIONS.—

(1) INSTITUTIONS COVERED BY REQUIREMENT.—The requirements of paragraph (2) apply to any institution of higher education that—

(A) has notified the Secretary of Education of an election to qualify for the exception to limitation based on course of study in section 102(a)(7) of the Higher Education Act of 1965 (20 U.S.C. 1002(a)(7)) or the exception to the 50 percent limitation in section 484(l)(1)(C) of such Act (20 U.S.C. 1091(l)(1)(C));

(B) has notified the Secretary under section 481(a)(3) of such Act (20 U.S.C. 1088(a)(3)); or

(C) contracts with outside parties for—

- (i) the delivery of distance education programs;
- (ii) the delivery of programs offered in nontraditional formats; or
- (iii) the purpose of securing the enrollment of students.

(2) REQUIREMENTS.—Any institution of higher education to which this paragraph applies shall comply, on a timely basis, with the Secretary of Education’s reasonable requests for information on changes in—

(A) the amount or method of instruction offered;

(B) the types of programs or courses offered;

(C) enrollment by type of program or course;

(D) the amount and types of grant, loan, or work assistance provided under title IV of the Higher Education Act of 1965 that is received by students enrolled in programs conducted in nontraditional formats; and

(E) outcomes for students enrolled in such courses or programs.

(b) REPORT BY SECRETARY REQUIRED.—The Secretary of Education shall conduct by grant or contract a study of, and by March 31, 2003, submit to the Congress, a report on—

(1) the effect that the amendments made by this Act have had on—

(A) the ability of institutions of higher education to provide distance learning opportunities to students; and

(B) program integrity;
 (2) with respect to distance education or correspondence education courses at institutions of higher education to which the information requirements of subsection (a)(2) apply, changes from year-to-year in—

(A) the amount or method of instruction offered and the types of programs or courses offered;

(B) the number and type of students enrolled in distance education or correspondence education courses;

(C) the amount of student aid provided to such students, in total and as a percentage of the institution's revenue; and

(D) outcomes for students enrolled in distance education or correspondence education courses, including graduation rates, job placement rates, and loan delinquencies and defaults;

(3) any reported and verified claim of inducement to participate in the student financial aid programs and any violation of the Higher Education Act of 1965, including any actions taken by the Department of Education against the violator; and

(4) any further improvements that should be made to the provisions amended by this Act (and related provisions), in order to accommodate nontraditional educational opportunities in the Federal student assistance programs while ensuring the integrity of those programs.

SEC. 4. LEARNING ANYTIME ANYWHERE PARTNERSHIPS.

Section 420J of the Higher Education Act of 1965 (20 U.S.C. 1070f–6) is amended by adding at the end the following new sentence: “If for any fiscal year funds are not appropriated pursuant to this section, funds available under part B of title VII, relating to the Fund for the Improvement of Postsecondary Education, may be made available for continuation grants for any grant recipient under this subpart.”.

SEC. 5. IMPLEMENTATION.

(a) **NO DELAY IN EFFECTIVE DATE.**—Section 482(c) of the Higher Education Act of 1965 (20 U.S.C. 1089(c)) shall not apply to the amendments made by this Act.

(b) **IMPLEMENTING REGULATIONS.**—Section 492 of the Higher Education Act of 1965 (20 U.S.C. 1098a) shall not apply to the amendments made by section 2 of this Act.