

107TH CONGRESS
1ST SESSION

H. R. 1992

To amend the Higher Education Act of 1965 to expand the opportunities
for higher education via telecommunications.

IN THE HOUSE OF REPRESENTATIVES

MAY 24, 2001

Mr. ISAKSON (for himself, Mr. BOEHNER, Mr. McKEON, Mr. CASTLE, and
Mr. GOODLATTE) 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 expand
the opportunities for higher education via telecommuni-
cations.

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.**

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

6 **SEC. 2. EXCEPTION TO 50 PERCENT CORRESPONDENCE**
7 **COURSE LIMITATIONS.**

8 (a) DEFINITION OF INSTITUTION OF HIGHER EDU-
9 CATION FOR TITLE IV PURPOSES.—Section 102(a) of the

1 Higher Education Act of 1965 (20 U.S.C. 1002(a)) is
2 amended by adding at the end the following new para-
3 graph:

4 “(7) EXCEPTION TO LIMITATION BASED ON
5 COURSE OF STUDY.—Courses offered via tele-
6 communications (as defined in section 484(l)(4))
7 shall not be considered to be correspondence courses
8 for purposes of paragraph (3)(A) for any institution
9 that—

10 “(A) is participating in either or both of
11 the loan programs under part B or D of title
12 IV on the date of enactment of the Internet Eq-
13 uity and Education Act of 2001; and

14 “(B) has a cohort default rate (as deter-
15 mined under section 435(m)) for each of the 3
16 most recent fiscal years for which data are
17 available that is less than 10 percent.”.

18 (b) DEFINITION OF ELIGIBLE STUDENT.—Section
19 484(l)(1) of the Higher Education Act of 1965 (20 U.S.C.
20 1091(l)(1)) is amended by adding at the end the following
21 new subparagraph:

22 “(C) EXCEPTION TO 50 PERCENT LIMITA-
23 TION.—Notwithstanding the 50 percent limita-
24 tion in subparagraph (A), a student enrolled in
25 a course of instruction described in such sub-

1 paragraph shall not be considered to be enrolled
2 in correspondence courses if the student is en-
3 rolled in an institution that—

4 “(i) is participating in either or both
5 of the loan programs under part B or D of
6 title IV on the date of enactment of the
7 Internet Equity and Education Act of
8 2001; and

9 “(ii) has a cohort default rate (as de-
10 termined under section 435(m)) for each of
11 the 3 most recent fiscal years for which
12 data are available that is less than 10 per-
13 cent.”.

14 **SEC. 3. DEFINITION OF ACADEMIC YEAR.**

15 Section 481(a)(2) of the Higher Education Act of
16 1965 (20 U.S.C. 1088(a)(2)) is amended by inserting
17 after the first sentence the following new sentence: “For
18 the purposes of any program under this title (whether a
19 standard or nonstandard term program), a week of in-
20 struction is defined as a week in which at least one day
21 of instruction, examination, or preparation for examina-
22 tion occurs.”.

1 **SEC. 4. INCENTIVE COMPENSATION.**

2 (a) AMENDMENT.—Part G of title IV of the Higher
3 Education Act of 1965 is amended by inserting after sec-
4 tion 484B (20 U.S.C. 1091b) the following new section:

5 **“SEC. 484C. INCENTIVE COMPENSATION PROHIBITED.**

6 “No institution of higher education participating in
7 a program under this title shall make any payment of a
8 commission, bonus, or other incentive, non-salary pay-
9 ment, based directly on success in securing enrollments
10 or financial aid, to any person or entity directly engaged
11 in student recruiting or admission activities, or making de-
12 cisions regarding the award of student financial assist-
13 ance, except that this section shall not apply to the recruit-
14 ment of foreign students residing in foreign countries who
15 are not eligible to receive Federal student assistance.”.

16 (b) CONFORMING AMENDMENT.—Paragraph (20) of
17 section 487(a) (20 U.S.C. 1094(a)(20)) is repealed.

18 (c) TECHNICAL AMENDMENT.—Section 487(c)(1) of
19 the Higher Education Act of 1965 (20 U.S.C. 1094(c)(1))
20 is amended by striking “paragraph (2)(B)” each place it
21 appears in subparagraphs (F) and (H) and inserting
22 “paragraph (3)(B)”.

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