

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO H.R. 2637  
OFFERED BY MS. FOXX OF NORTH CAROLINA**

Strike all after the enacting clause and insert the following:

**1 SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “Supporting Academic  
3 Freedom through Regulatory Relief Act”.

**4 SEC. 2. REGULATORY RELIEF.**

5       (a) REGULATIONS REPEALED.—

6           (1) REPEAL.—The following regulations (in-  
7 cluding any supplement or revision to such regula-  
8 tions) are repealed and shall have no legal effect:

9           (A) STATE AUTHORIZATION.—Sections  
10       600.4(a)(3), 600.5(a)(4), 600.6(a)(3), 600.9,  
11       and 668.43(b) of title 34, Code of Federal Reg-  
12       ulations (relating to State authorization), as  
13       added or amended by the final regulations pub-  
14       lished by the Department of Education in the  
15       Federal Register on October 29, 2010 (75 Fed.  
16       Reg. 66832 et seq.).

17           (B) DEFINITION OF CREDIT HOUR.—The  
18       definition of the term “credit hour” in section

1           600.2 of title 34, Code of Federal Regulations,  
2           as added by the final regulations published by  
3           the Department of Education in the Federal  
4           Register on October 29, 2010 (75 Fed. Reg.  
5           66946), and clauses (i)(A), (ii), and (iii) of sub-  
6           section (k)(2) of section 668.8 of such title, as  
7           amended by such final regulations (75 Fed.  
8           Reg. 66949 et seq.).

9           (C) GAINFUL EMPLOYMENT.—Sections  
10          600.10(c), 600.20(d), 668.6, and 668.7, of title  
11          34, Code of Federal Regulations as added or  
12          amended by the final regulations published by  
13          the Department of Education in the Federal  
14          Register on October 29, 2010 (75 Fed. Reg.  
15          66832 et seq. and 75 Fed. Reg. 66665 et seq.)  
16          and June 13, 2011 (76 Fed. Reg. 34386 et  
17          seq.).

18          (2) EFFECT OF REPEAL.—To the extent that  
19          regulations repealed by paragraph (1) amended reg-  
20          ulations that were in effect on June 30, 2011, the  
21          provisions of the regulations that were in effect on  
22          June 30, 2011, and were so amended are restored  
23          and revived as if the regulations repealed by para-  
24          graph (1) had not taken effect.

25          (b) CERTAIN REGULATIONS PROHIBITED.—

1           (1) STATE AUTHORIZATION AND GAINFUL EM-  
2 PLOYMENT.—

3           (A) IN GENERAL.—The Secretary of Edu-  
4 cation shall not, during the period described in  
5 subparagraph (B), promulgate or enforce any  
6 regulation or rule not in effect on the date of  
7 enactment of this Act for any purpose under  
8 the Higher Education Act of 1965 (20 U.S.C.  
9 1001 et seq.) with respect to—

10           (i) the State authorization for institu-  
11 tions of higher education to operate within  
12 a State; or

13           (ii) the definition or application of the  
14 term “gainful employment”.

15           (B) PERIOD OF PROHIBITION.—The period  
16 during which the Secretary is prohibited from  
17 promulgating or enforcing a regulation de-  
18 scribed in subparagraph (A) shall be the period  
19 beginning on the date of enactment of this Act  
20 and ending on the date of enactment of a law  
21 that extends by not less than 2 fiscal years the  
22 authorization or duration of one or more pro-  
23 grams under the Higher Education Act of 1965  
24 (20 U.S.C. 1001 et seq.).

1           (2) CREDIT HOUR.—The Secretary of Edu-  
2           cation shall not, on or after the date of enactment  
3           of this Act, promulgate or enforce any regulation or  
4           rule with respect to the definition of the term “cred-  
5           it hour” for any purpose under the Higher Edu-  
6           cation Act of 1965 (20 U.S.C. 1001 et seq.).

7 **SEC. 3. THIRD-PARTY SERVICE PROVIDERS.**

8           Section 487(a)(20) of the Higher Education Act of  
9           1965 (20 U.S.C. 1094(a)(20)) is amended by adding at  
10          the end the following: “Notwithstanding the preceding  
11          sentence, an institution described in section 101 may pro-  
12          vide payment, based on the amount of tuition generated  
13          by the institution from student enrollment, to a third-  
14          party entity that provides a set of services to the institu-  
15          tion that includes student recruitment services, regardless  
16          of whether the third-party entity is affiliated with an insti-  
17          tution that provides educational services other than the  
18          institution providing such payment, if—

19                   “(A) the third-party entity is not affiliated  
20                   with the institution providing such payment;

21                   “(B) the third-party entity does not make  
22                   compensation payments to its employees that  
23                   are prohibited under this paragraph;

24                   “(C) the set of services provided to the in-  
25                   stitution by the third-party entity include serv-

1           ices in addition to student recruitment services,  
2           and the institution does not pay the third-party  
3           entity solely or separately for student recruit-  
4           ment services provided by the third-party enti-  
5           ty; and

6           “(D) any student recruitment information  
7           available to the third-party entity, including  
8           personally identifiable information, will not be  
9           used by, shared with, or sold to any other per-  
10          son or entity, including any institution that is  
11          affiliated with the third-party entity.”.

