AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE
OFFERED BY MS. SHALALA OF FLORIDA

In section 1001, strike “Section 102(a)” and insert the following:

(a) CLARIFICATION.—Section 102(a)

In section 1001, add at the end the following:

(b) PROPRIETARY INSTITUTIONS.—

(1) AMENDMENTS.—Section 102(b) of the Higher Education Act of 1965 (20 U.S.C. 1002(b)) amended—

(A) in paragraph (1)—

(i) in subparagraph (D), by striking “and” after the semicolon;

(ii) in subparagraph (E), by striking the period at the end and inserting “; and”;

(iii) by adding at the end the following: “(F) meets the requirements of paragraph (3).”;

(B) by adding at the end the following:
“(3) Revenue Sources.—In order to qualify as a proprietary institution of higher education under this subsection, an institution shall derive not less than 15 percent of the institution’s revenues from sources other than Federal education assistance funds, as calculated in accordance with paragraph (4).”;

(C) paragraph (1) of section 487(d) of the Higher Education Act of 1965 (as amended by section 4624) is—

(i) transferred to section 102(b) of such Act;

(ii) inserted so as to appear after paragraph (3) of such section 102(b) (as added by subparagraph (B));

(iii) redesignated as paragraph (4) of such section 102(b); and

(iv) further amended by striking “subsection (a)(24)” and inserting “paragraph (3)”;

(D) paragraph (3) of section 487(d) of the Higher Education Act of 1965 (as amended by 4624) is—

(i) transferred to section 102(b) of such Act;
(ii) inserted so as to appear after paragraph (4) of such section 102(b) (as added by subparagraph (C)); and

(iii) redesignated as paragraph (5) of such section 102(b); and

(iv) further amended by striking “subsection (a)(24)” and inserting “paragraph (3)”; and

(E) paragraph (4) of section 487(d) of the Higher Education Act of 1965 (as amended by section 4624) is—

(i) transferred to section 102(b) of such Act;

(ii) inserted so as to appear after paragraph (5) of such section 102(b) (as added by subparagraph (D)); and

(iii) redesignated as paragraph (6) of such section 102(b); and

(iv) further amended by striking “subsection (a)(24)” and inserting “paragraph (3)”.

22 (2) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on July 1, 2023.

Amend section 4618(f) to read as follows:

(f) PROPRIETARY INSTITUTIONS.—
(1) 85/15 RULE.—

   (A) AMENDMENT.—Section 487(a)(24) of the Higher Education Act of 1965 (20 U.S.C. 1094(a)(24)) is amended by striking “not less than ten percent of such institution’s revenues from sources other than funds provided under this title” and inserting “not less than 15 percent of such institution’s revenues from sources other than Federal education assistance funds”.

   (B) EFFECTIVE DATE.—The amendment made by this paragraph shall take effect on July 1, 2022.

(2) REPEALS.—

   (A) IN GENERAL.—Subsections (a)(24) and (d)(2) of section 487 the Higher Education Act of 1965 (20 U.S.C. 1094) are repealed.

   (B) EFFECTIVE DATE.—The repeals made by this paragraph shall take effect on July 1, 2023.

Page 886, beginning on line 24, strike “in the most recent award year” and insert “for any award year beginning on or after July 1, 2022”.