

**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:

1       (a) CLARIFICATION.—Section 102(a)

In section 1001, add at the end the following:

2       (b) PROPRIETARY INSTITUTIONS.—

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

6           (A) in paragraph (1)—

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

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

12           (iii) by adding at the end the fol-  
13       lowing: “(F) meets the requirements of  
14       paragraph (3).”;

15       (B) by adding at the end the following:

1           “(3) REVENUE SOURCES.—In order to qualify  
2           as a proprietary institution of higher education  
3           under this subsection, an institution shall derive not  
4           less than 15 percent of the institution’s revenues  
5           from sources other than Federal education assist-  
6           ance funds, as calculated in accordance with para-  
7           graph (4).”;

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

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

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

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

18                 (iv) further amended by striking “sub-  
19                 section (a)(24)” and inserting “paragraph  
20                 (3)”;

21          (D) paragraph (3) of section 487(d) of the  
22          Higher Education Act of 1965 (as amended by  
23          4624) is—

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

1 (ii) inserted so as to appear after  
2 paragraph (4) of such section 102(b) (as  
3 added by subparagraph (C)); and

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

6 (iv) further amended by striking “sub-  
7 section (a)(24)” and inserting “paragraph  
8 (3)”; and

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

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

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

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

19 (iv) further amended by striking “sub-  
20 section (a)(24)” and inserting “paragraph  
21 (3)”.

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

Amend section 4618(f) to read as follows:

24 (f) PROPRIETARY INSTITUTIONS.—

1 (1) 85/15 RULE.—

2 (A) AMENDMENT.—Section 487(a)(24) of  
3 the Higher Education Act of 1965 (20 U.S.C.  
4 1094(a)(24)) is amended by striking “not less  
5 than ten percent of such institution’s revenues  
6 from sources other than funds provided under  
7 this title” and inserting “not less than 15 per-  
8 cent of such institution’s revenues from sources  
9 other than Federal education assistance funds”.

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

13 (2) REPEALS.—

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

17 (B) EFFECTIVE DATE.—The repeals made  
18 by this paragraph shall take effect on July 1,  
19 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”.

