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I N   S E N A T E

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Introduced by Sens. LAVALLE, BONACIC, DeFRANCISCO, LARKIN, PARKER,  
SEWARD, VOLKER -- read twice and ordered printed, and when printed to  
be committed to the Committee on Higher Education

AN ACT to amend the education law, in relation to financial aid disclosure

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1     Section 1. The education law is amended by adding a new article 14-B  
2     to read as follows:

3                                 ARTICLE 14-B

4                                 FINANCIAL AID DISCLOSURE ACT

5     SECTION 698. SHORT TITLE.

6                 698-A. DEFINITIONS.

7                 698-B. DISCLOSURE OF FINANCIAL AID POLICY.

8     S 698. SHORT TITLE. THIS ARTICLE SHALL BE KNOWN AS THE "FINANCIAL AID  
9     DISCLOSURE ACT."

10    S 698-A. DEFINITIONS. AS USED IN THIS ARTICLE, THE FOLLOWING TERMS  
11    SHALL HAVE THE FOLLOWING MEANINGS UNLESS OTHERWISE SPECIFIED:

12    1. "INSTITUTION OF HIGHER EDUCATION" SHALL HAVE THE SAME MEANING AS  
13    DEFINED IN ARTICLE FOURTEEN-A OF THIS CHAPTER.

14    2. "STUDENT" MEANS ANY INDIVIDUAL OR GROUP OF INDIVIDUALS RESPONSIBLE  
15    FOR PAYING THE COST OF AN ENROLLED STUDENT'S HIGHER EDUCATION, INCLUDING  
16    BUT NOT LIMITED TO A STUDENT AND HIS OR HER FAMILY.

17    3. "FINANCIAL AID AWARD" MEANS ANY SCHOLARSHIP, GRANT, LOAN OR OTHER  
18    FINANCIAL AID COMPENSATION AWARDED TO A STUDENT BY OR ADMINISTERED  
19    THROUGH AN INSTITUTION OF HIGHER EDUCATION WITH THE PURPOSE OF DECREAS-  
20    ING THE STUDENT'S COST OF ATTENDANCE AT AN INSTITUTION OF HIGHER EDUCA-  
21    TION.

22    4. "OUTSIDE FINANCIAL AID AWARD" MEANS ANY SCHOLARSHIP, GRANT, AWARD  
23    OR OTHER TYPE OF FINANCIAL ASSISTANCE AWARDED TO A STUDENT BY OR ADMIN-  
24    ISTERED THROUGH STATE OR NATIONAL GOVERNMENT OR A PRIVATE INDIVIDUAL OR

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets  
[ ] is old law to be omitted.

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1 COMPANY FOR THE PURPOSE OF DECREASING THE STUDENT'S COST OF ATTENDANCE  
2 AT AN INSTITUTION OF HIGHER EDUCATION.

3 5. "FINANCIAL AID PUBLICATION" MEANS ANY CATALOG, HAND BOOK, PROSPEC-  
4 TUS, PAMPHLET, BULLETIN OR OTHER WRITTEN MATERIAL, SUPPLIED BY AN INSTI-  
5 TUTION OF HIGHER EDUCATION THAT CONTAINS, EITHER EXCLUSIVELY OR ALONG  
6 WITH OTHER MATERIAL, CONSIDERABLE INFORMATION REGARDING THE INSTITUTION  
7 OF HIGHER EDUCATION'S FINANCIAL AID POLICIES.

8 6. "FINANCIAL AID AWARD STATEMENT" MEANS THE STATEMENT PROVIDED BY THE  
9 INSTITUTION OF HIGHER EDUCATION AND DISTRIBUTED TO A STUDENT ACCEPTED  
10 FOR ENROLLMENT AT SUCH INSTITUTION OF HIGHER EDUCATION THAT IDENTIFIES  
11 THE SPECIFIC AMOUNT OF THE PROPOSED INDIVIDUAL'S FINANCIAL AID AWARD  
12 FROM THE INSTITUTION OF HIGHER EDUCATION.

13 7. "FINANCIAL AID AWARD AGREEMENT" MEANS THE ACTUAL FORM UTILIZED BY  
14 THE INSTITUTION OF HIGHER EDUCATION AND THE STUDENT IN ORDER TO FINALIZE  
15 THE FINANCIAL AID AGREEMENT.

16 S 698-B. DISCLOSURE OF FINANCIAL AID POLICY. ALL FINANCIAL AID PUBLI-  
17 CATIONS, AWARD STATEMENTS AND AWARD AGREEMENTS SHALL DISCLOSE THE INSTI-  
18 TUTION OF HIGHER EDUCATION'S FINANCIAL AID POLICY REGARDING:

19 1. ANY CHANGES TO THE CONTRIBUTION THE INSTITUTION OF HIGHER EDUCATION  
20 MAY MAKE IN ITS AWARD DUE TO THE STUDENT'S USAGE OF OUTSIDE FINANCIAL  
21 AID AWARDS, SCHOLARSHIPS, GRANTS, AWARDS OR OTHER TYPES OF FINANCIAL  
22 ASSISTANCE AWARDED TO A STUDENT BY OR ADMINISTERED THROUGH THE STATE OR  
23 FEDERAL GOVERNMENT OR A PRIVATE INDIVIDUAL OR COMPANY FOR THE PURPOSES  
24 OF DECREASING THE STUDENT'S COST OF ATTENDING COLLEGE;

25 2. ANY ANNUAL ADJUSTMENT OF AN AWARD DUE TO CHANGES IN THE RESOURCES  
26 OF THE STUDENT OR THOSE OF THE INSTITUTION OF HIGHER EDUCATION OR FOR  
27 ANY OTHER REASON; AND

28 3. IN WHAT SEQUENCE THE COMPONENTS OF A FINANCIAL AID AWARD WILL BE  
29 INCREASED OR DECREASED WHEN A TOTAL AWARD IS ADJUSTED, AND HOW THE  
30 INCREASE OR DECREASE WILL BE DISTRIBUTED BETWEEN COMPONENTS.

31 S 2. The education law is amended by adding a new section 209-b to  
32 read as follows:

33 S 209-B. ENFORCEMENT RELATING TO FINANCIAL AID DISCLOSURE. THE REGENTS  
34 SHALL, BY RULE OR REGULATION, ESTABLISH GUIDELINES FOR AND CARRY OUT THE  
35 ENFORCEMENT OF THE PROVISIONS OF ARTICLE FOURTEEN-B OF THIS CHAPTER AND  
36 SHALL PROVIDE NOTICE TO ALL INSTITUTIONS OF HIGHER EDUCATION OF ANY SUCH  
37 RULE OR REGULATION ADOPTED FOR SUCH PURPOSES.

38 S 3. This act shall take effect on the first of July next succeeding  
39 the date on which it shall have become a law provided, however, that the  
40 adoption, amendment and/or repeal of any rule or regulation necessary  
41 for the timely implementation of the provisions of this act is author-  
42 ized and directed to be completed on or before such effective date.