S T A T E O F N E W Y O R K

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I N S E N A T E

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Introduced by Sens. LAVALLE, BONACIC, DeFRANCISCO, LARKIN, RANZENHOFER, ZELDIN -- 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:

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

ARTICLE 14-B

FINANCIAL AID DISCLOSURE ACT

SECTION 698. SHORT TITLE.

698-A. DEFINITIONS.

698-B. DISCLOSURE OF FINANCIAL AID POLICY.

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

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

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

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

3. "FINANCIAL AID AWARD" MEANS ANY SCHOLARSHIP, GRANT, LOAN OR OTHER FINANCIAL AID COMPENSATION AWARDED TO A STUDENT BY OR ADMINISTERED THROUGH AN INSTITUTION OF HIGHER EDUCATION WITH THE PURPOSE OF DECREASING THE STUDENT'S COST OF ATTENDANCE AT AN INSTITUTION OF HIGHER EDUCATION.

4. "OUTSIDE FINANCIAL AID AWARD" MEANS ANY SCHOLARSHIP, GRANT, AWARD OR OTHER TYPE OF FINANCIAL ASSISTANCE AWARDED TO A STUDENT BY OR ADMINISTERED 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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COMPANY FOR THE PURPOSE OF DECREASING THE STUDENT'S COST OF ATTENDANCE AT AN INSTITUTION OF HIGHER EDUCATION.

5. "FINANCIAL AID PUBLICATION" MEANS ANY CATALOG, HAND BOOK, PROSPECTUS, PAMPHLET, BULLETIN OR OTHER WRITTEN MATERIAL, SUPPLIED BY AN INSTITUTION OF HIGHER EDUCATION THAT CONTAINS, EITHER EXCLUSIVELY OR ALONG WITH OTHER MATERIAL, CONSIDERABLE INFORMATION REGARDING THE INSTITUTION OF HIGHER EDUCATION'S FINANCIAL AID POLICIES.

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

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

S 698-B. DISCLOSURE OF FINANCIAL AID POLICY. ALL FINANCIAL AID PUBLICATIONS, AWARD STATEMENTS AND AWARD AGREEMENTS SHALL DISCLOSE THE INSTITUTION OF HIGHER EDUCATION'S FINANCIAL AID POLICY REGARDING:

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

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

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

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

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

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