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

4760--B

2015-2016 Regular Sessions

I N S E N A T E

April 15, 2015

Introduced by Sen. STAVISKY -- read twice and ordered printed, and when printed to be committed to the Committee on Higher Education -- recommitted to the Committee on Higher Education in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the education law, in relation to enacting "Tuition-Free NY"

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

Section 1. This act shall be known and may be cited as "Tuition-Free NY".

S 2. Paragraph h of subdivision 2 of section 355 of the education law is amended by adding a new subparagraph 1-a to read as follows:

(1-A) THE TRUSTEES SHALL IMPLEMENT A PROGRAM TO PERMIT ANY STUDENT WHO HAS BEEN ADMITTED TO A STATE-OPERATED INSTITUTION OF THE STATE UNIVERSITY TO ATTEND WITHOUT THE PAYMENT OF TUITION AND FEES IF SUCH STUDENT FULFILLS THE REQUIREMENTS OF SUCH PROGRAM PURSUANT TO THE PROVISIONS OF THIS SUBPARAGRAPH. THE PROVISIONS OF THIS SUBPARAGRAPH SHALL ONLY APPLY TO COSTS OF ONE UNDERGRADUATE DEGREE AND ANY ADDITIONAL COSTS ASSOCIATED WITH MORE THAN ONE SIMULTANEOUS UNDERGRADUATE DEGREE SHALL NOT BE COVERED BY THIS PROGRAM.

(I) THE TRUSTEES SHALL PROVIDE AN APPLICATION PROCESS AND ADMINISTER THE PROGRAM ACCORDING TO THE FOLLOWING CRITERIA:

(A) ANY STUDENT ELIGIBLE FOR RESIDENT TUITION RATES IS ELIGIBLE FOR THIS PROGRAM.

(B) THE STUDENT SHALL BE REQUIRED TO PERFORM A MINIMUM OF TWENTY-FIVE HOURS OF COMMUNITY SERVICE FOR EACH YEAR OF PARTICIPATION IN THE PROGRAM. THE PRESIDENT OF EACH INSTITUTION OR HIS OR HER DESIGNEE OR DESIGNEES SHALL BE AUTHORIZED TO ISSUE WAIVERS WHICH PERMIT STUDENTS TO

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

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MEET THIS SERVICE REQUIREMENT BY PERFORMING SERVICES FOR NON-QUALIFYING ORGANIZATIONS OR, GENERALLY, THE SURROUNDING COMMUNITY; PROVIDED THAT THE HOUR REQUIREMENT IS MET AND SUCH PRESIDENT OR HIS OR HER DESIGNEE OR DESIGNEES IS SATISFIED THAT THE WORK PERFORMED BENEFITS THE COMMUNITY.

(C) A STUDENT SHALL BE REQUIRED TO SIGN A CONTRACT AGREEING TO RESIDE IN NEW YORK STATE FOR A PERIOD OF FIVE YEARS SUBSEQUENT TO COMPLETION OF HIS OR HER ACADEMIC PROGRAM.

(D) A STUDENT SHALL BE REQUIRED TO BE EMPLOYED FULL-TIME IN NEW YORK STATE FOR A PERIOD OF FIVE YEARS SUBSEQUENT TO COMPLETION OF HIS OR HER ACADEMIC PROGRAM. ANY PART-TIME OR COMBINATION OF PART-TIME AND FULL-TIME EMPLOYMENT SHALL BE THE EQUIVALENT OF FIVE FULL-TIME YEARS. ANY PERIOD OF TIME A STUDENT SPENDS UNEMPLOYED, PURSUING A GRADUATE DEGREE OR ON ACTIVE MILITARY DUTY SHALL NOT PENALIZE A STUDENT FROM RECEIVING THE BENEFITS OF THIS PROGRAM, BUT SHALL NOT CONTRIBUTE TO THE ACCRUAL OF THE REQUIREMENTS OF THIS SUBCLAUSE.

(E) STUDENTS SHALL BE REQUIRED TO COMPLETE THEIR DEGREE PROGRAM WITHIN A MINIMUM PERIOD OF TIME TO BE SET BY THE TRUSTEES WHICH SHALL BE NO LESS THAN THREE YEARS AND NO MORE THAN FIVE YEARS.

(F) A STUDENT WHO BENEFITED FROM THE PROGRAM OUTLINED IN THIS SUBPARAGRAPH SHALL BE ALLOWED TO ATTEND AN OUT-OF-STATE GRADUATE SCHOOL WITHOUT ANY PENALTY IF SUCH STUDENT PURSUES A GRADUATE DEGREE. ONCE SUCH STUDENT CONCLUDES HIS OR HER GRADUATE SCHOOL STUDIES, SUCH STUDENT SHALL RETURN TO NEW YORK WITHIN ONE YEAR FOR RESIDENCY AND EMPLOYMENT, PER THE PROGRAM'S REQUIREMENTS, OR ELSE THE UNDERGRADUATE BENEFIT WILL TURN INTO A STUDENT LOAN PURSUANT TO THE PROVISIONS OF CLAUSE (II) OF THIS SUBPARAGRAPH.

(G) A STUDENT WHO BENEFITED FROM THE PROGRAM OUTLINED IN THIS SUBPARAGRAPH WHO IS ON ACTIVE DUTY IN THE ARMED FORCES OF THE UNITED STATES SHALL NOT BE PENALIZED IF SUCH STUDENT MAINTAINS HIS OR HER LEGAL RESIDENCE IN THE STATE OF NEW YORK, DURING SUCH SERVICE. "LEGAL RESIDENCE" AS USED IN THIS SUBCLAUSE SHALL MEAN THE PLACE WHERE A MEMBER OF THE MILITARY INTENDS TO RETURN AND LIVE AFTER DISCHARGE OR RETIREMENT, AND WHICH THEY CONSIDER THEIR PERMANENT HOME. LEGAL RESIDENCY SHALL BE DETERMINED BY WHAT LOCAL AND STATE TAX LAWS A MEMBER OF THE MILITARY IS SUBJECT TO, AND IN WHICH STATE THEY MAY VOTE.

(II) IF A STUDENT OR FORMER STUDENT FAILS TO FULFILL ANY OF THE REQUIREMENTS SET FORTH IN CLAUSE (I) OF THIS SUBPARAGRAPH, THE TRUSTEES SHALL CONVERT TO A STUDENT LOAN THE FULL AMOUNT OF THE TUITION WHICH WOULD HAVE BEEN PAID BY SUCH STUDENT, AS DETERMINED BY THE NEW YORK STATE HIGHER EDUCATION SERVICES CORPORATION, PLUS INTEREST, ACCORDING TO A SCHEDULE TO BE DETERMINED BY SUCH CORPORATION. SUCH REPAYMENT MAY ALSO BE REQUIRED IF A RECIPIENT FAILS TO RESPOND TO REQUESTS FOR INFORMATION NECESSARY TO DETERMINE CONTINUED ELIGIBILITY OR FOR ADMINISTRATION OF THE PROGRAM. THE TERMS AND CONDITIONS OF THIS CLAUSE SHALL BE DEFERRED FOR STUDENTS WHO ENROLL ON AT LEAST A HALF-TIME BASIS IN AN APPROVED UNDERGRADUATE, GRADUATE OR HIGHER DEGREE PROGRAM OR OTHER PROFESSIONAL LICENSURE DEGREE PROGRAM UNTIL THEY ARE CONFERRED A DEGREE, AND SHALL ALSO BE DEFERRED FOR ANY INTERRUPTION IN UNDERGRADUATE STUDY OR EMPLOYMENT AS ESTABLISHED BY THE RULES AND REGULATIONS OF THE CORPORATION. THE TERMS AND CONDITIONS OF THIS CLAUSE MAY ALSO BE DEFERRED FOR A GRACE PERIOD, TO BE ESTABLISHED BY THE CORPORATION, FOLLOWING THE COMPLETION OF AN APPROVED UNDERGRADUATE PROGRAM OR A GRADUATE OR HIGHER DEGREE PROGRAM OR OTHER PROFESSIONAL LICENSURE DEGREE PROGRAM. NOTWITHSTANDING ANY PROVISIONS OF THIS CLAUSE TO THE CONTRARY, THE CORPORATION IS AUTHORIZED TO PROMULGATE RULES AND REGULATIONS TO PROVIDE FOR THE

WAIVER OR SUSPENSION OF ANY FINANCIAL OBLIGATION WHICH WOULD INVOLVE EXTREME HARDSHIP.

(III) ANY STUDENT WHO ELECTS TO PARTICIPATE IN THE PROGRAM UNDER THIS SUBPARAGRAPH SHALL BE REQUIRED TO APPLY FOR TUITION ASSISTANCE PROGRAM FUNDING. FUNDS AWARDED ON THE TUITION ASSISTANCE PROGRAM SHALL BE APPLIED TOWARDS THE COST OF TUITION PRIOR TO AN AWARD UNDER THIS SUBPARAGRAPH.

(IV) STUDENTS SHALL BE RESPONSIBLE FOR ALL OTHER COSTS INCLUDING HOUSING, FEES AND OTHER NON-TUITION RELATED CHARGES.

(V) (A) THIS PROGRAM SHALL NOT APPLY IN ACADEMIC YEARS COMMENCING ON OR BEFORE THE EFFECTIVE DATE OF THIS SUBPARAGRAPH. (B) FOR THE FIRST TWO YEARS AFTER THE EFFECTIVE DATE OF THIS SUBPARAGRAPH, THIS PROGRAM SHALL ONLY APPLY TO STUDENTS ATTENDING COMMUNITY COLLEGES AS DEFINED BY SUBDIVISION TWO OF SECTION SIXTY-THREE HUNDRED ONE OF THIS CHAPTER. (C) IN ALL OTHER YEARS, THIS PROGRAM SHALL APPLY TO ALL STUDENTS ATTENDING SUNY, CUNY, AND COMMUNITY COLLEGES OF THE STATE.

S 3. Subdivision 7 of section 6206 of the education law is amended by adding a new paragraph (d) to read as follows:

(D) THE TRUSTEES SHALL IMPLEMENT A PROGRAM TO PERMIT ANY STUDENT WHO HAS BEEN ADMITTED TO AN INSTITUTION OPERATED BY THE CITY UNIVERSITY TO ATTEND WITHOUT THE PAYMENT OF TUITION AND FEES IF SUCH STUDENT FULFILLS THE REQUIREMENTS OF SUCH PROGRAM PURSUANT TO THE PROVISIONS OF THIS PARAGRAPH.

(I) THE TRUSTEES SHALL PROVIDE AN APPLICATION PROCESS AND ADMINISTER THE PROGRAM ACCORDING TO THE FOLLOWING CRITERIA:

(A) ANY STUDENT ELIGIBLE FOR RESIDENT TUITION RATES IS ELIGIBLE FOR THIS PROGRAM.

(B) THE STUDENT SHALL BE REQUIRED TO PERFORM A MINIMUM OF TWENTY-FIVE HOURS OF COMMUNITY SERVICE FOR EACH YEAR OF PARTICIPATION IN THE PROGRAM. THE PRESIDENT OF EACH INSTITUTION OR HIS OR HER DESIGNEE OR DESIGNEES SHALL BE AUTHORIZED TO ISSUE WAIVERS WHICH PERMIT STUDENTS TO MEET THIS SERVICE REQUIREMENT BY PERFORMING SERVICES FOR NON-QUALIFYING ORGANIZATIONS OR, GENERALLY, THE SURROUNDING COMMUNITY; PROVIDED THAT THE HOUR REQUIREMENT IS MET AND SUCH PRESIDENT OR HIS OR HER DESIGNEE OR DESIGNEES IS SATISFIED THAT THE WORK PERFORMED BENEFITS THE COMMUNITY.

(C) A STUDENT SHALL BE REQUIRED TO SIGN A CONTRACT AGREEING TO RESIDE IN NEW YORK STATE FOR A PERIOD OF FIVE YEARS SUBSEQUENT TO COMPLETION OF HIS OR HER ACADEMIC PROGRAM.

(D) A STUDENT SHALL BE REQUIRED TO BE EMPLOYED FULL-TIME IN NEW YORK STATE FOR A PERIOD OF FIVE YEARS SUBSEQUENT TO COMPLETION OF HIS OR HER ACADEMIC PROGRAM. ANY PART-TIME OR COMBINATION OF PART-TIME AND FULL-TIME EMPLOYMENT SHALL BE THE EQUIVALENT OF FIVE FULL-TIME YEARS. ANY PERIOD OF TIME A STUDENT SPENDS UNEMPLOYED, PURSUING A GRADUATE DEGREE OR ON ACTIVE MILITARY DUTY SHALL NOT PENALIZE A STUDENT FROM RECEIVING THE BENEFITS OF THIS PROGRAM, BUT SHALL NOT CONTRIBUTE TO THE ACCRUAL OF THE REQUIREMENTS OF THIS CLAUSE.

(E) STUDENTS SHALL BE REQUIRED TO COMPLETE THEIR DEGREE PROGRAM WITHIN A MINIMUM PERIOD OF TIME TO BE SET BY THE TRUSTEES WHICH SHALL BE NO LESS THAN THREE YEARS AND NO MORE THAN FIVE YEARS.

(F) A STUDENT WHO BENEFITED FROM THE PROGRAM OUTLINED IN THIS PARAGRAPH SHALL BE ALLOWED TO ATTEND AN OUT-OF-STATE GRADUATE SCHOOL WITHOUT ANY PENALTY IF SUCH STUDENT PURSUES A GRADUATE DEGREE. ONCE SUCH STUDENT CONCLUDES HIS OR HER GRADUATE SCHOOL STUDIES, SUCH STUDENT SHALL RETURN TO NEW YORK WITHIN ONE YEAR FOR RESIDENCY AND EMPLOYMENT, PER THE PROGRAM'S REQUIREMENTS, OR ELSE THE UNDERGRADUATE BENEFIT WILL TURN INTO

A STUDENT LOAN PURSUANT TO THE PROVISIONS OF SUBPARAGRAPH (II) OF THIS PARAGRAPH.

(G) A STUDENT WHO BENEFITED FROM THE PROGRAM OUTLINED IN THIS PARAGRAPH WHO IS ON ACTIVE DUTY IN THE ARMED FORCES OF THE UNITED STATES SHALL NOT BE PENALIZED IF SUCH STUDENT MAINTAINS HIS OR HER LEGAL RESIDENCE IN THE STATE OF NEW YORK, DURING SUCH SERVICE. "LEGAL RESIDENCE" AS USED IN THIS CLAUSE SHALL MEAN THE PLACE WHERE A MEMBER OF THE MILITARY INTENDS TO RETURN AND LIVE AFTER DISCHARGE OR RETIREMENT, AND WHICH THEY CONSIDER THEIR PERMANENT HOME. LEGAL RESIDENCY SHALL BE DETERMINED BY WHAT LOCAL AND STATE TAX LAWS A MEMBER OF THE MILITARY IS SUBJECT TO, AND IN WHICH STATE THEY MAY VOTE.

(II) IF A STUDENT OR FORMER STUDENT FAILS TO FULFILL ANY OF THE REQUIREMENTS SET FORTH IN SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE TRUSTEES SHALL CONVERT TO A STUDENT LOAN THE FULL AMOUNT OF THE TUITION WHICH WOULD HAVE BEEN PAID BY SUCH STUDENT, AS DETERMINED BY THE NEW YORK STATE HIGHER EDUCATION SERVICES CORPORATION, PLUS INTEREST, ACCORDING TO A SCHEDULE TO BE DETERMINED BY SUCH CORPORATION. SUCH REPAYMENT MAY ALSO BE REQUIRED IF A RECIPIENT FAILS TO RESPOND TO REQUESTS FOR INFORMATION NECESSARY TO DETERMINE CONTINUED ELIGIBILITY OR FOR ADMINISTRATION OF THE PROGRAM. THE TERMS AND CONDITIONS OF THIS CLAUSE SHALL BE DEFERRED FOR STUDENTS WHO ENROLL ON AT LEAST A HALF-TIME BASIS IN AN APPROVED UNDERGRADUATE, GRADUATE OR HIGHER DEGREE PROGRAM OR OTHER PROFESSIONAL LICENSURE DEGREE PROGRAM UNTIL THEY ARE CONFERRED A DEGREE, AND SHALL ALSO BE DEFERRED FOR ANY INTERRUPTION IN UNDERGRADUATE STUDY OR EMPLOYMENT AS ESTABLISHED BY THE RULES AND REGULATIONS OF THE CORPORATION. THE TERMS AND CONDITIONS OF THIS CLAUSE MAY ALSO BE DEFERRED FOR A GRACE PERIOD, TO BE ESTABLISHED BY THE CORPORATION, FOLLOWING THE COMPLETION OF AN APPROVED UNDERGRADUATE PROGRAM OR A GRADUATE OR HIGHER DEGREE PROGRAM OR OTHER PROFESSIONAL LICENSURE DEGREE PROGRAM. NOTWITHSTANDING ANY PROVISIONS OF THIS CLAUSE TO THE CONTRARY, THE CORPORATION IS AUTHORIZED TO PROMULGATE RULES AND REGULATIONS TO PROVIDE FOR THE WAIVER OR SUSPENSION OF ANY FINANCIAL OBLIGATION WHICH WOULD INVOLVE EXTREME HARDSHIP.

(III) ANY STUDENT WHO ELECTS TO PARTICIPATE IN THE PROGRAM UNDER THIS PARAGRAPH SHALL BE REQUIRED TO APPLY FOR TUITION ASSISTANCE PROGRAM FUNDING. FUNDS AWARDED ON THE TUITION ASSISTANCE PROGRAM SHALL BE APPLIED TOWARDS THE COST OF TUITION PRIOR TO AN AWARD UNDER THIS SUBPARAGRAPH.

(IV) STUDENTS SHALL BE RESPONSIBLE FOR ALL OTHER COSTS INCLUDING HOUSING, FEES AND OTHER NON-TUITION RELATED CHARGES.

(V) THE PROVISIONS OF THIS SUBDIVISION SHALL NOT BE SUBJECT TO TAXATION.

(VI) (A) THIS PROGRAM SHALL NOT APPLY IN ACADEMIC YEARS COMMENCING ON OR BEFORE THE EFFECTIVE DATE OF THIS PARAGRAPH. (B) FOR THE FIRST TWO YEARS AFTER THE EFFECTIVE DATE OF THIS PARAGRAPH, THIS PROGRAM SHALL ONLY APPLY TO STUDENTS ATTENDING COMMUNITY COLLEGES AS DEFINED BY SUBDIVISION TWO OF SECTION SIXTY-THREE HUNDRED ONE OF THIS CHAPTER. (C) IN ALL OTHER YEARS, THIS PROGRAM SHALL APPLY TO ALL STUDENTS ATTENDING SUNY, CUNY AND COMMUNITY COLLEGES OF THE STATE.

S 4. Subdivision 1 of section 6304 of the education law is amended by adding a new paragraph e to read as follows:

E. THE TRUSTEES, SPONSORS OR OTHER GOVERNING BODY OF A COMMUNITY COLLEGE SHALL IMPLEMENT A PROGRAM TO PERMIT ANY STUDENT WHO HAS BEEN ADMITTED TO SUCH COMMUNITY COLLEGE TO ATTEND WITHOUT THE PAYMENT OF TUITION AND FEES IF SUCH STUDENT FULFILLS THE REQUIREMENTS OF SUCH PROGRAM PURSUANT TO THE PROVISIONS OF THIS PARAGRAPH.

(I) THE TRUSTEES SHALL PROVIDE AN APPLICATION PROCESS AND ADMINISTER THE PROGRAM ACCORDING TO THE FOLLOWING CRITERIA:

(A) ANY STUDENT ELIGIBLE FOR RESIDENT TUITION RATES IS ELIGIBLE FOR THIS PROGRAM.

(B) THE STUDENT SHALL BE REQUIRED TO PERFORM A MINIMUM OF TWENTY-FIVE HOURS OF COMMUNITY SERVICE FOR EACH YEAR OF PARTICIPATION IN THE PROGRAM. THE PRESIDENT OR CHIEF ADMINISTRATOR OF EACH COMMUNITY COLLEGE OR HIS OR HER DESIGNEE OR DESIGNEES SHALL BE AUTHORIZED TO ISSUE WAIVERS WHICH PERMIT STUDENTS TO MEET THIS SERVICE REQUIREMENT BY PERFORMING SERVICES FOR NON-QUALIFYING ORGANIZATIONS; PROVIDED THAT THE HOUR REQUIREMENT IS MET AND SUCH PRESIDENT, CHIEF ADMINISTRATOR OR HIS OR HER DESIGNEE OR DESIGNEES IS SATISFIED THAT THE WORK PERFORMED BENEFITS THE COMMUNITY.

(C) A STUDENT SHALL BE REQUIRED TO SIGN A CONTRACT AGREEING TO RESIDE IN NEW YORK STATE FOR A PERIOD OF FIVE YEARS SUBSEQUENT TO COMPLETION OF HIS OR HER ACADEMIC PROGRAM.

(D) A STUDENT SHALL BE REQUIRED TO BE EMPLOYED IN NEW YORK STATE FOR A PERIOD OF FIVE YEARS SUBSEQUENT TO COMPLETION OF HIS OR HER ACADEMIC PROGRAM.

(E) A STUDENT SHALL BE REQUIRED TO BE EMPLOYED FULL-TIME IN NEW YORK STATE FOR A PERIOD OF FIVE YEARS SUBSEQUENT TO COMPLETION OF HIS OR HER ACADEMIC PROGRAM. ANY PART-TIME OR COMBINATION OF PART-TIME AND FULL-TIME EMPLOYMENT SHALL BE THE EQUIVALENT OF FIVE FULL-TIME YEARS. ANY PERIOD OF TIME A STUDENT SPENDS UNEMPLOYED, PURSUING A GRADUATE DEGREE, OR ON ACTIVE MILITARY DUTY SHALL NOT PENALIZE A STUDENT FROM RECEIVING THE BENEFITS OF THIS PROGRAM, BUT SHALL NOT CONTRIBUTE TO THE ACCRUAL OF THE REQUIREMENTS OF THIS CLAUSE.

(F) STUDENTS SHALL BE REQUIRED TO COMPLETE THEIR DEGREE PROGRAM WITHIN A MINIMUM PERIOD OF TIME TO BE SET BY THE TRUSTEES WHICH SHALL BE NO LESS THAN ONE YEAR AND NO MORE THAN THREE YEARS.

(G) A STUDENT WHO BENEFITED FROM THE PROGRAM OUTLINED IN THIS SUBPARAGRAPH SHALL BE ALLOWED TO ATTEND AN OUT-OF-STATE GRADUATE SCHOOL WITHOUT ANY PENALTY IF SUCH STUDENT PURSUES A GRADUATE DEGREE. ONCE SUCH STUDENT CONCLUDES HIS OR HER GRADUATE SCHOOL STUDIES, SUCH STUDENT SHALL RETURN TO NEW YORK WITHIN ONE YEAR FOR RESIDENCY AND EMPLOYMENT, PER THE PROGRAM'S REQUIREMENTS, OR ELSE THE UNDERGRADUATE BENEFIT WILL TURN INTO A STUDENT LOAN PURSUANT TO THE PROVISIONS OF SUBPARAGRAPH (II) OF THIS PARAGRAPH.

(H) A STUDENT WHO BENEFITED FROM THE PROGRAM OUTLINED IN THIS PARAGRAPH WHO IS ON ACTIVE DUTY IN THE ARMED FORCES OF THE UNITED STATES SHALL NOT BE PENALIZED IF SUCH STUDENT MAINTAINS HIS OR HER LEGAL RESIDENCE IN THE STATE OF NEW YORK, DURING SUCH SERVICE. "LEGAL RESIDENCE" AS USED IN THIS CLAUSE SHALL MEAN THE PLACE WHERE A MEMBER OF THE MILITARY INTENDS TO RETURN AND LIVE AFTER DISCHARGE OR RETIREMENT, AND WHICH THEY CONSIDER THEIR PERMANENT HOME. LEGAL RESIDENCY SHALL BE DETERMINED BY WHAT LOCAL AND STATE TAX LAWS A MEMBER OF THE MILITARY IS SUBJECT TO, AND IN WHICH STATE THEY MAY VOTE.

(II) IF A STUDENT OR FORMER STUDENT FAILS TO FULFILL ANY OF THE REQUIREMENTS SET FORTH IN SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE TRUSTEES SHALL CONVERT TO A STUDENT LOAN THE FULL AMOUNT OF THE TUITION WHICH WOULD HAVE BEEN PAID BY SUCH STUDENT, AS DETERMINED BY THE NEW YORK STATE HIGHER EDUCATION SERVICES CORPORATION, PLUS INTEREST, ACCORDING TO A SCHEDULE TO BE DETERMINED BY SUCH CORPORATION. SUCH REPAYMENT MAY ALSO BE REQUIRED IF A RECIPIENT FAILS TO RESPOND TO REQUESTS FOR INFORMATION NECESSARY TO DETERMINE CONTINUED ELIGIBILITY OR FOR ADMINISTRATION OF THE PROGRAM. THE TERMS AND CONDITIONS OF THIS SUBPARAGRAPH

SHALL BE DEFERRED FOR STUDENTS WHO ENROLL ON AT LEAST A HALF-TIME BASIS IN AN APPROVED UNDERGRADUATE, GRADUATE OR HIGHER DEGREE PROGRAM OR OTHER PROFESSIONAL LICENSURE DEGREE PROGRAM UNTIL THEY ARE CONFERRED A DEGREE, AND SHALL ALSO BE DEFERRED FOR ANY INTERRUPTION IN UNDERGRADUATE STUDY OR EMPLOYMENT AS ESTABLISHED BY THE RULES AND REGULATIONS OF THE CORPORATION. THE TERMS AND CONDITIONS OF THIS SUBPARAGRAPH MAY ALSO BE DEFERRED FOR A GRACE PERIOD, TO BE ESTABLISHED BY THE CORPORATION, FOLLOWING THE COMPLETION OF AN APPROVED UNDERGRADUATE PROGRAM OR A GRADUATE OR HIGHER DEGREE PROGRAM OR OTHER PROFESSIONAL LICENSURE DEGREE PROGRAM. NOTWITHSTANDING ANY PROVISIONS OF THIS SUBPARAGRAPH TO THE CONTRARY, THE CORPORATION IS AUTHORIZED TO PROMULGATE RULES AND REGULATIONS TO PROVIDE FOR THE WAIVER OR SUSPENSION OF ANY FINANCIAL OBLIGATION WHICH WOULD INVOLVE EXTREME HARDSHIP.

(III) ANY STUDENT WHO ELECTS TO PARTICIPATE IN THE PROGRAM UNDER THIS PARAGRAPH SHALL BE REQUIRED TO APPLY FOR TUITION ASSISTANCE PROGRAM FUNDING. FUNDS AWARDED ON THE TUITION ASSISTANCE PROGRAM SHALL BE APPLIED TOWARDS THE COST OF TUITION PRIOR TO AN AWARD UNDER THIS SUBPARAGRAPH.

(IV) STUDENTS SHALL BE RESPONSIBLE FOR ALL OTHER COSTS INCLUDING HOUSING, FEES AND OTHER NON-TUITION RELATED CHARGES.

(V) (A) THIS PROGRAM SHALL NOT APPLY IN ACADEMIC YEARS COMMENCING ON OR BEFORE THE EFFECTIVE DATE OF THIS PARAGRAPH. (B) FOR THE FIRST TWO YEARS AFTER THE EFFECTIVE DATE OF THIS PARAGRAPH, THIS PROGRAM SHALL ONLY APPLY TO STUDENTS ATTENDING COMMUNITY COLLEGES AS DEFINED BY SUBDIVISION TWO OF SECTION SIXTY-THREE HUNDRED ONE OF THIS CHAPTER. (C) IN ALL OTHER YEARS, THIS PROGRAM SHALL APPLY TO ALL STUDENTS ATTENDING SUNY, CUNY AND COMMUNITY COLLEGES OF THE STATE.

S 5. Subdivision 1 of section 6304 of the education law is amended by adding a new paragraph a-1 to read as follows:

A-1. STATE FINANCIAL AID SHALL BE INCREASED ABOVE THE ONE-THIRD AMOUNT OF OPERATING COSTS SET FORTH IN PARAGRAPH A OF THIS SUBDIVISION BY AN AMOUNT WHICH IS EQUAL TO THE COST OF TUITION AWARDED TO STUDENTS WHO APPLY AND QUALIFY FOR THE PROGRAM SET FORTH IN PARAGRAPH E OF THIS SUBDIVISION.

S 6. This act shall take effect on the first of April next succeeding the date on which it shall have become a law; provided, however, effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date is authorized to be made and completed on or before such effective date.