STATE OF NEW YORK

9077

IN ASSEMBLY

January 18, 2018

Introduced by M. of A. RA -- Multi-Sponsored by -- M. of A. CURRAN, KOLB, MORINELLO -- read once and referred to the Committee on Higher Education

AN ACT to amend the education law, in relation to establishing a regents high-tech graduate loan forgiveness program; and making an appropriation therefor

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Section 605 of the education law is amended by adding a new subdivision 13 to read as follows:

13. Regents high-tech graduate loan forgiveness program. Regents high-tech graduate loan forgiveness awards shall be awarded annually to high-tech graduates who agree to work or be employed in New York state in a profession which requires a degree in the high-tech field in which the graduate holds a degree. Such awards shall be classified and allocated in accordance with regents rules.

a. Definitions. The commissioner shall promulgate rules and regulations defining the terms "high-tech graduate" and "high-tech field" and any other terms necessary to implement the provisions of this subdivision. Provided, that the term "high-tech graduate" shall be limited to persons who earned an associate's or bachelor's degree from a college or university in this state.

b. Eligibility. (1) The applicant must be a resident of New York state and be engaged in a high-tech profession.

(2) The applicant must agree to be employed in a high-tech profession in New York state.

c. Selection. The commissioner shall establish criteria for the selection of participants in the program. An applicant must satisfy at least one of the criteria established.

d. Notification. (1) The commissioner shall then forward approved applications to the president and shall notify unsuccessful applicants;

(2) The president shall verify the approved applicants'

(i) eligibility; and

(ii) total high-tech college or university student expense;

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

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(3) The president shall notify applicants of their award entitlement.

e. Service requirement. Within such time as the commissioner shall by regulation provide, a recipient of an award shall have agreed to be employed in a high-tech profession for a period of twelve months for each annual payment to be received by the recipient. In no case shall the total number of months of high-tech employment required be less than sixty. The president shall, in consultation with the commissioner, develop and secure from each award recipient, a written agreement to engage in a high-tech employment.

If a recipient fails to comply fully with such conditions, the president shall be entitled to receive from such recipient an amount to be determined by the formula:

$$A = 5B \left(\frac{t-s}{t}\right)$$

in which "A" is the amount the president is entitled to recover; "B" is the sum of all payments made to the recipient and the interest on such amount which would be payable if at the times such awards were paid they were loans bearing interest at the maximum prevailing rate; "t" is the total number of months in the recipient's period of obligated services; and "s" is the number of months of service actually rendered by the recipient. Any amount which the president is entitled to recover under this paragraph shall be paid within the five-year period beginning on the date that the recipient failed to comply with this service condition. Nothing in the written agreement shall affect the terms of employment of the individual who shall negotiate, separate and apart from the program, his or her salary and other forms of employment with an agency, institution or a program in which he or she shall be employed.

Any obligation to comply with such provisions as outlined in this section shall be cancelled upon the death of the recipient. The commissioner shall make regulations to provide for the waiver or suspension of any financial obligation which would involve extreme hardship.

f. Reporting. A recipient of an award shall report annually to the New York state higher education services corporation, on forms prescribed by the president, as to the performance of the required services, commencing with the calendar year in which the recipient begins to engage in a high-tech profession and continuing until the recipient shall have completed, or it is determined that he or she shall not be obligated to complete, the required employment. If the recipient shall fail to file any report required hereunder within thirty days of written notice to the recipient, mailed to the address shown on the last application for an award or last report filed, whichever is later, the president of the corporation may impose a fine of up to one thousand dollars. The president shall have the discretion to waive the filing of a report, excuse a delay in filing or a failure to file a report, or waive or reduce any fine imposed for good cause shown.

g. Other awards. Award recipients shall be eligible to apply for one additional award.

§ 2. The education law is amended by adding a new section 679-h to read as follows:

§ 679-h. Regents high-tech graduate loan forgiveness program. 1. Number and certification. One hundred regents high-tech graduate loan forgiveness awards shall be awarded each year to initial recipients thereof. Such awards shall be allocated as provided in article thirteen of this chapter to eligible high-tech graduates as certified to the president by the commissioner.

2. Calculation of award amounts. Each award shall consist of five consecutive annual loan forgiveness payments. Each of the annual payments shall be for an amount equal to the total of high-tech college or university school student loan expense or ten thousand dollars whichever is less. The president shall be responsible for calculating the dollar amount of each award that eligible candidates may receive from this program. For the purposes of this section, student loan expense shall mean the cumulative total of the annual student loans covering the cost of attendance at a high-tech college or university. Interest paid or due on student loans that an applicant has taken out for use in paying for such high-tech education shall be considered eligible for reimbursement under this program.

3. Award disbursement. a. Annual award disbursements shall be the responsibility of the president and shall occur prior to the beginning of each of the required terms of service as specified in the service contract. The board of trustees of the higher education services corporation shall adopt rules and regulations regarding criteria for determining successful completion of the employment contract and any appeal process that may be required to implement this paragraph upon recommendation of the president in consultation with the commissioner.

b. The disbursement of the second and subsequent annual awards shall be dependent upon successful completion of the previous year's requirement of the employment contract as defined by the president, as well as other criteria set forth in this section.

§ 3. The sum of twenty-five million dollars ($25,000,000), or so much thereof as may be necessary, is hereby appropriated to the education department out of any moneys in the state treasury in the general fund to the credit of the state purposes account, not otherwise appropriated, and made immediately available for the purposes of implementing the regents high-tech graduate loan forgiveness program, as established by this act. Such moneys shall be payable on the audit and warrant of the comptroller on vouchers certified or approved by the commissioner of education in the manner prescribed by law.

§ 4. This act shall take effect on the one hundred eightieth day after it shall have become a law. Effective immediately, the addition, amendment and/or repeal of any rules and regulations necessary to implement this act on its effective date are authorized to be made on or before such date.