

# STATE OF NEW YORK

152

2021-2022 Regular Sessions

## IN SENATE

(Prefiled)

January 6, 2021

Introduced by Sen. THOMAS -- 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 directing the commissioner of education to establish a system for grading for-profit institutions of higher education

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

1 Section 1. Section 305 of the education law is amended by adding a new  
2 subdivision 59 to read as follows:

3 59. a. The commissioner is authorized and directed to establish and  
4 maintain a database of the following information on every for-profit  
5 institution of higher education:

6 (i) total for-profit institution of higher education program cost;

7 (ii) graduation rate;

8 (iii) graduate placement rate;

9 (iv) total placement rate;

10 (v) community service programs provided to students to do volunteer  
11 work for either a corporation, association, organization or trust  
12 described in section 501 (c) (3) of the United States internal revenue  
13 code or a government agency;

14 (vi) support services available to students including career and guid-  
15 ance counseling and mental health services;

16 (vii) median time in which a student completes a for-profit institu-  
17 tion of higher education program;

18 (viii) median cumulative student debt amount;

19 (ix) average amount borrowed;

20 (x) cohort default rate;

21 (xi) post school earnings; and

22 (xii) outstanding student debt of for-profit institution of higher  
23 education graduates ten years out.

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

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1 b. (i) Annually on or before July first, each for-profit institution  
2 of higher education shall report to the department all information  
3 regarding subparagraphs (i) through (vi) of paragraph a of this subdivi-  
4 sion necessary for the commissioner to establish and maintain the data-  
5 base pursuant to paragraph a of this subdivision. The commissioner shall  
6 promulgate rules and regulations regarding the form and content of such  
7 report.

8 (ii) The commissioner shall utilize all information reported by a  
9 for-profit institution of higher education and information publicly  
10 available from the federal government and any other source as deemed  
11 necessary by such commissioner to carry out the provisions of this  
12 subdivision.

13 c. (i) The commissioner shall devise a method for assigning and  
14 publishing a letter grade to every for-profit institution of higher  
15 education based upon the information contained in the database estab-  
16 lished pursuant to this subdivision. Such grade shall be updated annu-  
17 ally.

18 (ii) Each for-profit institution of higher education shall prominently  
19 display on its website the letter grade most recently assigned to such  
20 institution pursuant to subparagraph (i) of this paragraph.

21 d. As used in this subdivision, the following terms shall have the  
22 following meanings:

23 (i) "For-profit institution of higher education" means a school that:

24 (1) provides a program leading to an associates or baccalaureate  
25 degree;

26 (2) is legally authorized in New York state to provide a program of  
27 education beyond secondary education; and

28 (3) is neither a public or non-profit institution.

29 (ii) "Graduation rate" means the number of students at a for-profit  
30 institution of higher education who received certificates, diplomas, or  
31 degrees in the program during the latest two calendar years, divided by  
32 the number of students who enrolled in the program during the latest two  
33 calendar years. The graduation rate shall be determined within one  
34 hundred eighty days from the end of each calendar year and shall be  
35 calculated separately for students admitted as freshmen and students who  
36 transfer in.

37 (iii) "Graduate placement rate" means the number of students obtaining  
38 full time (at least thirty-two hours per week), non-temporary employment  
39 in the field of study during the latest two calendar years for which the  
40 for-profit institution of higher education has obtained verification,  
41 divided by the number of all students graduating from the program during  
42 the latest two calendar years. The graduate placement rate shall be  
43 determined within one hundred eighty days from the end of each calendar  
44 year and shall be calculated separately for students admitted as fresh-  
45 men and students who transfer in.

46 (iv) "Total placement rate" means the product of the graduate place-  
47 ment rate and the graduation rate. The total placement rate shall be  
48 determined within one hundred eighty days from the end of each calendar  
49 year.

50 (v) "Median cumulative debt amount" means the median amount of cumula-  
51 tive debt, including private, institutional, and federal, incurred by a  
52 student who attended a for-profit institution of higher education wheth-  
53 er or not they completed a program at such institution.

54 (vi) "Average amount borrowed" means the average amount of private,  
55 institutional, and federal, loans a student who attended a for-profit

1 institution of higher education borrows to enroll in a program at such  
2 institution.

3 (vii) "Post school earnings" means the sum of any wages, deferred  
4 compensation and self-employment earnings.

5 (viii) "Cohort default rate" means the percentage of a for-profit  
6 institution of higher education's borrowers who enter repayment on any  
7 private, institutional and federal loans during the fiscal year and  
8 default within the cohort default period. Cohort default rate shall be  
9 calculated for the periods of three years, five years and ten years.

10 § 2. This act shall take effect on the first of January next succeed-  
11 ing the date on which it shall have become a law. Effective immediately,  
12 the addition, amendment and/or repeal of any rule or regulation neces-  
13 sary for the implementation of this act on its effective date are  
14 authorized to be made and completed on or before such effective date.