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:

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

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

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

(ii) graduation rate;

(iii) graduate placement rate;

(iv) total placement rate;

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

(vi) support services available to students including career and guidance counseling and mental health services;

(vii) median time in which a student completes a for-profit institution of higher education program;

(viii) median cumulative student debt amount;

(ix) average amount borrowed;

(x) cohort default rate;

(xi) post school earnings; and

(xii) outstanding student debt of for-profit institution of higher 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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b. (i) Annually on or before July first, each for-profit institution of higher education shall report to the department all information regarding subparagraphs (i) through (vi) of paragraph a of this subdivision necessary for the commissioner to establish and maintain the database pursuant to paragraph a of this subdivision. The commissioner shall promulgate rules and regulations regarding the form and content of such report.

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

c. (i) The commissioner shall devise a method for assigning and publishing a letter grade to every for-profit institution of higher education based upon the information contained in the database established pursuant to this subdivision. Such grade shall be updated annually.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 2. This act shall take effect on the first of January next succeeding the date on which it shall have become a law. Effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized to be made and completed on or before such effective date.