

# MAINE STATE LEGISLATURE

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# 128th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2017

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Legislative Document

No. 1404

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S.P. 482

In Senate, April 11, 2017

### An Act To Ensure the Integrity of For-profit Colleges

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Reference to the Committee on Education and Cultural Affairs suggested and ordered printed.

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST  
Secretary of the Senate

Presented by Senator VITELLI of Sagadahoc.  
Cosponsored by Representative POULIOT of Augusta and  
Senators: DILL of Penobscot, MAKER of Washington, MILLETT of Cumberland,  
SAVIELLO of Franklin, WHITTEMORE of Somerset, Representatives: DAUGHTRY of  
Brunswick, TUELL of East Machias.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 20-A MRSA §10706-A** is enacted to read:

3 **§10706-A. For-profit college review**

4 **1. Definitions.** As used in this section, unless the context otherwise indicates, the  
5 following terms have the following meanings.

6 A. "Adequate educational standards" means educational offerings and spending  
7 priorities that the state board finds meet the metrics established under subsection 3.

8 B. "Degree" has the same meaning as in section 10701, subsection 2.

9 C. "Employed" means a person has obtained permanent employment and:

10 (1) The position is paid. If the position is an entry-level position, the salary must  
11 be at least 80% of the entry-level salary for the position;

12 (2) The position requires at least 32 hours of work per week;

13 (3) The person has worked in the position for at least 30 days; and

14 (4) The position is not affiliated with a for-profit college from which the person  
15 graduated, its parent company or a subsidiary or affiliate of its parent company.

16 D. "Employment in the field of study" means employment in a job:

17 (1) Included on a list of job titles for which a graduate of a program of study is  
18 qualified, as published by the for-profit college, and that is included in the most  
19 recent national relational database as a job related to that program of study. If the  
20 job title is not in the national relational database, the job may be included as  
21 employment in the field of study if the employer's description of the job matches  
22 the job description, tasks and work activities for a job that is included in the most  
23 recent national relational database as related to the program of study; or

24 (2) That requires the graduate to use the core skills listed in the school's  
25 published program of study taken by the graduate and the employer's written job  
26 description provides that the job requires education beyond a high school  
27 diploma, that applicants with a postsecondary credential are preferred or that the  
28 position is a supervisory or managerial position.

29 E. "For-profit college" means a postsecondary institution that has degree-granting  
30 authority and that is operated by a private, for-profit business.

31 F. "National relational database" means the relational database developed by the  
32 United States Department of Education, National Center for Educational Statistics  
33 and the United States Department of Labor, Bureau of Labor Statistics relating the  
34 United States Department of Education classification of instructional program code  
35 identified for a particular program of study to a standard occupational classification.

36 **2. Reporting.** A for-profit college shall report annually by July 1st to the state board  
37 the following information in accordance with rules established by the state board that

1 ensure the information is provided in a manner that allows evaluation in accordance with  
2 the metrics established under subsection 3:

3 A. The amount of funds, disaggregated by campus, spent on each of the following as  
4 compared with total spending by the for-profit college:

5 (1) Educational instruction;

6 (2) Advertising; and

7 (3) Executive salaries;

8 B. The percentage of those who graduated in the previous calendar year,  
9 disaggregated by campus and program, who have employment in the field of study;

10 C. The percentage of those who graduated in the previous calendar year,  
11 disaggregated by campus and program, who are employed; and

12 D. As reported to the United States Department of Education, the percentage of  
13 graduates who graduated in the previous 3 calendar years who received federal  
14 student loans and:

15 (1) The percentage of those who received such loans who have defaulted; and

16 (2) The percentage of those who received such loans whose loan balances  
17 declined in the 3 years after repayment first became due, excluding those  
18 graduates for whom repayment was deferred as a result of military service.

19 **3. Evaluation.** The state board shall by rule establish metrics to determine adequate  
20 educational standards that must be met by for-profit colleges. The metrics must include  
21 at least the following evaluation criteria.

22 A. The state board shall evaluate spending priorities by using information supplied  
23 pursuant to subsection 2, paragraph A. If the state board finds a for-profit college  
24 spends less than 50% of its total spending on instruction or more than 15% of its total  
25 spending on advertising, the state board must find that the for-profit college fails to  
26 meet adequate educational standards.

27 B. The state board shall determine whether a for-profit college has received  
28 necessary accreditations to allow graduates to meet professional licensing or other  
29 career standards related to the educational programs for which degrees or certificates  
30 are granted by the for-profit college. If the state board finds a for-profit college has  
31 not received these necessary accreditations, the state board must find that the  
32 for-profit college fails to meet adequate educational standards.

33 **4. Rules.** The state board shall adopt rules necessary to implement this section.  
34 Rules adopted under this subsection are routine technical rules as defined in Title 5,  
35 chapter 375, subchapter 2-A.

36 **5. Termination of degree-granting authority.** Pursuant to section 10712, the state  
37 board, after undertaking the evaluation under subsection 3, shall terminate the  
38 degree-granting authority of a for-profit college that the board finds does not meet  
39 adequate educational standards.

