

MAINE STATE LEGISLATURE

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Date: 5/6/19

MAJORITY

L.D. 103

(Filing No. S- 83)

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EDUCATION AND CULTURAL AFFAIRS

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STATE OF MAINE

SENATE

129TH LEGISLATURE

FIRST REGULAR SESSION

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COMMITTEE AMENDMENT "A" to S.P. 30, L.D. 103, Bill, "An Act To Ensure the Integrity of For-profit Colleges"

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Amend the bill by striking out the title and substituting the following:

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'An Act To Ensure the Integrity of For-profit Colleges and Universities'

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Amend the bill by striking out all of sections 1 and 2 and inserting the following:

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

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§10706-A. For-profit college and university review

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

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

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

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(1) The position is paid. If the position is an entry-level position, the salary must be at least 80% of the entry-level salary for the position as listed by the Department of Labor, Bureau of Labor Standards in its most recent report on industry employment and wages;

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

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

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

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

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(1) That is included on a list of job titles for which a graduate of a program of study is qualified, as published by the for-profit college or university, and in the

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1 most recent national relational database as a job related to that program of study.
2 If the job title is not in the national relational database, the job may be considered
3 as employment in the field of study if the employer's description of the job
4 matches the job description, tasks and work activities for a job that is included in
5 the most recent national relational database as related to the program of study; or

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

11 D. "For-profit college or university" means a postsecondary institution that:

12 (1) Is regulated by the department;

13 (2) Is eligible to participate in federal student aid programs; and

14 (3) Is operated by a private, for-profit business.

15 E. "National relational database" means the relational database developed by the
16 United States Department of Education, Institute of Education Sciences, National
17 Center for Education Statistics and the United States Department of Labor, Bureau of
18 Labor Statistics relating the United States Department of Education classification of
19 instructional program code identified for a particular program of study to a standard
20 occupational classification.

21 **2. Reporting.** A for-profit college or university shall report annually by July 1st to
22 the commissioner the following information in accordance with rules established by the
23 commissioner that ensure the information is provided in a manner that allows evaluation
24 in accordance with the metrics established under subsection 3:

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

27 (1) Educational instruction;

28 (2) Advertising; and

29 (3) Executive salaries;

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

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

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

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

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

4 E. The design and implementation of student support services, including the process
5 by which student complaints are handled in a timely and effective manner and
6 information on the number and nature of complaints received and the responses to
7 those complaints.

8 **3. Evaluation.** The commissioner shall by rule establish metrics to determine
9 adequate educational standards that must be met by for-profit colleges and universities.
10 The metrics must include at least the following annual evaluation criteria.

11 A. The commissioner shall evaluate spending priorities by using information
12 supplied pursuant to subsection 2, paragraph A. If the commissioner finds a
13 for-profit college or university spends less than 50% of its total spending on
14 instruction or more than 15% of its total spending on advertising, the commissioner
15 must find that the for-profit college or university fails to meet adequate educational
16 standards.

17 B. The commissioner shall determine whether a for-profit college or university has
18 received necessary accreditations to allow graduates to meet professional licensing or
19 other career standards related to the educational programs for which degrees or
20 certificates are granted by the for-profit college or university. If the commissioner
21 finds a for-profit college or university has not received these necessary accreditations,
22 the commissioner must find that the for-profit college or university fails to meet
23 adequate educational standards.

24 C. The commissioner shall evaluate the design and implementation of student
25 support services, including whether the complaint process by which student
26 complaints are handled is transparent, includes an appropriate official to receive
27 complaints and provides appropriate and timely responses to complaints. If the
28 commissioner finds that a for-profit college or university does not have adequate or
29 appropriate student support services, the commissioner must find that the for-profit
30 college or university fails to meet adequate educational standards.

31 **4. Rules.** The commissioner shall adopt rules necessary to implement this section.
32 The rules must include definitions of "educational instruction," "advertising" and
33 "executive salaries." Rules adopted under this subsection are routine technical rules as
34 defined in Title 5, chapter 375, subchapter 2-A.

35 **5. Termination of degree-granting authority.** The commissioner, after completing
36 the evaluation under subsection 3, shall terminate the degree-granting authority of a
37 for-profit college or university that the commissioner finds does not meet adequate
38 educational standards.'

39 Amend the bill by relettering or renumbering any nonconsecutive Part letter or
40 section number to read consecutively.

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SUMMARY

This amendment, which is the majority report, clarifies that the bill applies to for-profit universities as well as colleges and expands the definition of "for-profit college or university" to include a postsecondary institution that is regulated by the Department of Education or the State Board of Education, is eligible to participate in federal student aid programs and is operated by a private, for-profit business. The amendment requires the Commissioner of Education, instead of the State Board of Education, to review a for-profit college or university and adds a requirement that student support services, including the process by which student complaints are handled, be reviewed by the Commissioner of Education to determine whether adequate educational standards are being met by a for-profit college or university.

FISCAL NOTE REQUIRED
(See attached)



129th MAINE LEGISLATURE

LD 103

LR 136(02)

An Act To Ensure the Integrity of For-profit Colleges

Fiscal Note for Bill as Amended by Committee Amendment "A" (S-83)

Committee: Education and Cultural Affairs

Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - General Fund

Fiscal Detail and Notes

Additional costs to the Department of Education to implement the requirements of this legislation can be absorbed within existing budgeted resources.