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HOUSE BILL 17

54TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2020

INTRODUCED BY

Christine Chandler and Elizabeth "Liz" Stefanics

AN ACT

RELATING TO HIGHER EDUCATION; REQUIRING PRIVATE POST-SECONDARY
EDUCATIONAL INSTITUTIONS TO DISCLOSE CERTAIN INFORMATION TO
PROSPECTIVE STUDENTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 21-23-3 NMSA 1978 (being Laws 1971,
Chapter 303, Section 3, as amended) is amended to read:

"21-23-3. DEFINITIONS.--As used in the Post-Secondary
Educational Institution Act:

A. "career school" means a private post-secondary
educational institution offering a formal educational
curriculum in New Mexico for a fee to members of the general
public beyond compulsory school age, terminating in a
certificate, diploma, associate degree or comparable
confirmation of completion of the curriculum;

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1 B. "college" or "university" means a private post-
2 secondary educational institution offering a formal educational
3 curriculum in New Mexico for a fee to members of the general
4 public beyond compulsory school age, terminating in a
5 baccalaureate, master's or doctoral degree or comparable
6 confirmation of completion of the curriculum;

7 C. "department" means the higher education
8 department;

9 D. "enrollment agreement" means an agreement,
10 instrument or note executed before a person begins coursework
11 that creates a binding obligation between the person and the
12 post-secondary educational institution;

13 ~~[D-]~~ E. "license" means a written acknowledgment by
14 the department that a career school or nonregionally accredited
15 college or university has met the requirements of the
16 department for offering a formal educational curriculum within
17 New Mexico;

18 ~~[E-]~~ F. "post-secondary educational institution"
19 includes an academic, vocational, technical, business,
20 professional or other school, college or university or other
21 organization or person offering or purporting to offer courses,
22 instruction, training or education from a physical site in New
23 Mexico, through distance education, correspondence or in
24 person; ~~[and]~~

25 G. "private post-secondary educational institution"

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1 means a nonpublicly funded post-secondary educational
2 institution that offers post-secondary education for a fee to
3 members of the general public;

4 H. "prospective student" means a person who
5 demonstrates interest in signing an enrollment agreement with a
6 post-secondary educational institution; and

7 ~~[F.]~~ I. "registration" means a written
8 acknowledgment by the department that a regionally accredited
9 college or university has filed pertinent curriculum and
10 enrollment information, as required by the department, and is
11 authorized to operate a private post-secondary educational
12 institution."

13 **SECTION 2.** A new section of the Post-Secondary
14 Educational Institution Act is enacted to read:

15 "[NEW MATERIAL] DISCLOSURE REQUIREMENTS.--

16 A. Every private post-secondary educational
17 institution shall disclose to every prospective student prior
18 to enrollment the total estimated cost of attendance for the
19 prospective student's program, including:

20 (1) tuition and fees normally assessed a
21 student carrying the same academic workload as determined by
22 the private post-secondary educational institution, including
23 costs for rental or purchase of any equipment, materials or
24 supplies required of all students in the same program;

25 (2) an allowance for books, supplies,

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1 transportation and miscellaneous personal expenses, including a
2 reasonable allowance for the documented rental or purchase of a
3 personal computer, for a student attending the private post-
4 secondary educational institution on at least a half-time
5 basis, as determined by the institution;

6 (3) an allowance, as determined by the private
7 post-secondary educational institution, for room and board
8 costs incurred by the student that, for:

9 (a) a student without dependents
10 residing at home with one or more of the student's parents or
11 guardians, shall be an allowance determined by the institution
12 for a student without dependents residing at home with one or
13 more of the student's parents or guardians;

14 (b) a student without dependents
15 residing in institutionally owned or operated housing, shall be
16 a standard allowance determined by the institution based on the
17 amount normally assessed most of its residents for room and
18 board;

19 (c) a student who lives in housing
20 located on a military base or for which a basic allowance is
21 provided under federal law, shall be an allowance based on the
22 expenses reasonably incurred by such students for board but not
23 for room; and

24 (d) all other students, shall be an
25 allowance based on the expenses reasonably incurred by such

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1 students for room and board;

2 (4) for a less than half-time student, as
3 determined by the private post-secondary educational
4 institution, tuition and fees and an allowance for only:

5 (a) books, supplies and transportation,
6 as determined by the institution;

7 (b) dependent care expenses, as
8 determined in accordance with Paragraph (8) of this subsection;
9 and

10 (c) room and board costs, as determined
11 in accordance with Paragraph (3) of this subsection, except
12 that a student may receive an allowance for such costs under
13 this subparagraph for not more than three semesters or the
14 equivalent, of which not more than two semesters or the
15 equivalent may be consecutive;

16 (5) for a student engaged in a program by
17 correspondence, only tuition and fees and, if required, books
18 and supplies, travel and room and board costs incurred
19 specifically in fulfilling a required period of residential
20 training;

21 (6) for an incarcerated student, only tuition
22 and fees and, if required, books and supplies;

23 (7) for a student enrolled in an academic
24 program in a program of study abroad approved for credit by the
25 student's home private post-secondary educational institution,

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1 reasonable costs associated with such study, as determined by
2 the private post-secondary educational institution at which the
3 student is enrolled;

4 (8) for a student with one or more dependents,
5 an allowance based on the estimated actual expenses incurred
6 for such dependent care, based on the number and age of such
7 dependents, except that:

8 (a) the allowance shall not exceed the
9 reasonable cost in the community in which such student resides
10 for the kind of care provided; and

11 (b) the period for which dependent care
12 is required includes class time, study time, fieldwork,
13 internships and commuting time;

14 (9) for a student with a disability, an
15 allowance, as determined by the private post-secondary
16 educational institution, for those expenses related to the
17 student's disability, including special services, personal
18 assistance, transportation, equipment and supplies that are
19 reasonably incurred and not provided for by other assisting
20 agencies;

21 (10) for a student receiving all or part of
22 the student's instruction by means of telecommunications
23 technology, no distinction shall be made with respect to the
24 mode of instruction in determining costs;

25 (11) for a student engaged in a work

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1 experience under a cooperative education program, an allowance
2 for reasonable costs associated with such employment, as
3 determined by the private post-secondary educational
4 institution;

5 (12) for a student who receives a loan to
6 cover a student's cost of attendance at the institution, an
7 allowance for the actual cost of any loan fee, origination fee
8 or insurance premium charged to such student or the student's
9 parent or guardian on the loan, or the average cost of any such
10 fee or premium charged by the lender or guaranty agency making
11 or insuring such loan; and

12 (13) at the option of the private post-
13 secondary educational institution, for a student in a program
14 requiring professional licensure or certification, the one-time
15 cost of obtaining the first professional credentials, as
16 determined by the institution.

17 B. Every private post-secondary educational
18 institution shall disclose to every prospective student prior
19 to enrollment:

20 (1) the length in semesters of the prospective
21 student's program;

22 (2) the number of credit hours, or the
23 equivalent information, required to complete the prospective
24 student's program;

25 (3) the private post-secondary educational

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1 institution's cancellation and refund policy;

2 (4) the completion rates for both full-time
3 and part-time students of the prospective student's program;

4 (5) the withdrawal rates of students pursuing
5 the prospective student's program;

6 (6) the median combined loan debt for federal
7 loans, institutional loans and private loans certified by the
8 private post-secondary educational institution, for all
9 students who completed the prospective student's program during
10 the most recently completed award year;

11 (7) the placement rate for the prospective
12 student's program, if the private post-secondary educational
13 institution is required by its accrediting agency to calculate
14 a placement rate for the prospective student's program or
15 institution, or both, using the required methodology of the
16 accrediting agency;

17 (8) whether the prospective student's program
18 satisfies the applicable educational prerequisites for
19 professional licensure or certification in the state; and

20 (9) the median earnings at ten years after
21 entering the private post-secondary educational institution of
22 former students of the institution who received federal
23 financial aid, if available.

24 C. The disclosure information required pursuant to
25 Subsections A and B of this section shall be transmitted to the

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1 department and prominently displayed:

2 (1) in a letter or an email message to the
3 prospective student that does not contain:

4 (a) information about a program other
5 than a program in which the prospective student has expressed
6 interest; or

7 (b) any other substantive information;
8 and

9 (2) on the publicly available website of each
10 private post-secondary educational institution, if any.

11 D. The private post-secondary educational
12 institution shall maintain records of the institution's efforts
13 to provide the information described in Subsections A and B of
14 this section to a prospective student for at least five years
15 after the student enrolls at the institution."

16 SECTION 3. EFFECTIVE DATE.--The effective date of the
17 provisions of this act is January 1, 2021.