

HOUSE No. 4085

The Commonwealth of Massachusetts

In the Year Two Thousand Twelve

An Act to form a commission on for-profit colleges, universities, and proprietary schools.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. There is hereby established a commission for the purpose of studying and
2 making recommendations concerning the impact of for-profit colleges, universities, and
3 proprietary schools, who receive public investments in the form of federal and state student
4 financial aid, on residents of the commonwealth who are or have been enrolled in such
5 institutions. The commission shall consist of 19 members as follows: the undersecretary of
6 consumer affairs and business regulation, or a designee, who shall serve as chair; the attorney
7 general, or a designee; the state auditor, or a designee; the secretary of education, or a designee;
8 the commissioner of banks, or a designee; the house chair of the joint committee on consumer
9 protection and professional licensure, or a designee; the house chair of the joint committee on
10 higher education, or a designee; the senate chair of the joint committee on consumer protection
11 and professional licensure, or a designee; the senate chair of the joint committee on higher
12 education, or a designee; the minority leader of the house, or a designee; the minority leader of
13 the senate, or a designee; and 8 members appointed by the governor: 1 of whom shall have
14 expertise in federal, state and private student loans, and other student financial aid programs, 1 of

15 whom shall be a person who was enrolled or is currently enrolled in a for-profit college,
16 university, or proprietary school in Massachusetts, 3 of whom shall represent for-profit colleges,
17 universities, and proprietary schools, 1 of whom shall represent the Crittenton Women's Union,
18 1 of whom shall represent the Midas Collaborative, and 1 of whom shall represent a consumer
19 protection group.

20 This commission shall study and make recommendations on the following: (a) the need
21 for improved financial auditing procedures and improved enforcement or changes to relevant
22 Massachusetts criminal and consumer protection laws, including, but not limited to, the areas of
23 advertising, recruitment, retention, financial aid practices, credit transfer practices, and fees or
24 penalties; (b) the need for new criminal or civil laws to deter deceptive or fraudulent acts by for-
25 profit colleges, universities and proprietary schools and provide compensation to victims; (c) the
26 adequacy of free or low-cost loan counseling and legal support for residents of the state in
27 default on student loans; (d) the need for increased consumer education about for-profit colleges,
28 universities, and proprietary schools and the financial responsibilities associated with student
29 loans; (e) the need for greater transparency regarding compliance with state and federal laws,
30 loan default rates, or whether a for-profit college, university, or proprietary school has been
31 sanctioned in Massachusetts or in other states; (f) issues surrounding financing education at for-
32 profit colleges, universities, and proprietary schools including, but not limited to, the need for
33 counseling of students considering financing their education in-part with loans, and the status of
34 loans in the event of closure of a school.

35 The commission shall report to the general court the results of its investigation and study
36 and its recommendations, if any, together with drafts of legislation necessary to carry its

37 recommendation into effect, by filing the same with the clerk of the house of representatives no
38 later than 18 months after the passage of this act.