

9229

I N A S S E M B L Y

April 2, 2014

Introduced by M. of A. LALOR -- read once and referred to the Committee
on Higher Education

AN ACT to amend the education law, in relation to the financing of
community colleges

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEM-
BLY, DO ENACT AS FOLLOWS:

1 Section 1. Section 6304 of the education law, as amended by chapter
2 552 of the laws of 1984, subparagraph (i) of paragraph b of subdivision
3 1 as separately amended by chapter 762 of the laws of 1984, paragraphs
4 b-1 and b-2 of subdivision 1 as added by section 1 of part D of chapter
5 57 of the laws of 2013, paragraph c of subdivision 1, paragraph b of
6 subdivision 8, paragraph b of subdivision 9 and paragraph b of subdivi-
7 sion 10 as amended by chapter 295 of the laws of 1995, the closing para-
8 graph of paragraph c of subdivision 1, paragraph c of subdivision 8 and
9 paragraph c of subdivision 10 as added by chapter 492 of the laws of
10 2010, subdivision 6 as amended by chapter 614 of the laws of 1988,
11 subparagraph (iv) of paragraph a of subdivision 8 as added by section 31
12 of part II of chapter 59 of the laws of 2004 and subdivisions 11, 12 and
13 13 as added by chapter 702 of the laws of 2005, is amended to read as
14 follows:

15 S 6304. Financing of community colleges. 1. The master plan, standards
16 and regulations prescribed by the state university trustees shall
17 include provisions for financing the capital costs and operating costs
18 of such colleges in the following manner:

19 a. State financial aid shall be [one-third of] the amount of operating
20 costs, as approved by the state university trustees MINUS ANY AMOUNT OF
21 SUPPORT RECEIVED FROM LOCAL SPONSORS. Operating costs shall not include
22 any payment of debt service or rentals or other payments by a local
23 sponsor to the dormitory authority pursuant to any lease, sublease or
24 other agreement entered into between the dormitory authority and a local
25 sponsor. Such aid for a college shall, however, be for two-fifths of
26 operating costs for any fiscal year of the college during which it is
27 implementing a program of full opportunity provided a plan has been
28 approved by the state university trustees. Such plan, which shall be

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets
[] is old law to be omitted.

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submitted by the college only after approval by the board of trustees and the local sponsor or sponsors, shall

(i) establish a policy of offering acceptance in an appropriate program of the college to all applicants residing in the sponsorship area who graduated from high school within the prior year and to applicants who are high school graduates and who were released from active duty with the armed forces of the United States within the prior year;

(ii) provide for full implementation of such policy by the fall semester of nineteen hundred seventy or, if the college demonstrates to the state university trustees that full implementation by such time would not be feasible and in the best interests of the college, provide for a timetable to achieve such full implementation within five years which provides for substantial growth in registration each year;

(iii) make provision for and contain adequate assurances of the expenditure of funds by the sponsor or sponsors at a level [pursuant to state university regulations] AS DETERMINED BY THE SPONSOR OR SPONSORS, at least that necessary to implement the plan;

(iv) provide for adequate programs of remediation, instruction and counselling to meet the needs of all students to be served by the college. The trustees may require periodic reports or certifications from colleges which have submitted plans which have been approved and may, in appropriate cases, revoke such approval in case a college is in default of implementing its plan.

b. (i) Operating costs shall not include any payment of debt service or rentals or other payments by a local sponsor to the dormitory authority pursuant to any lease, sublease or other agreement entered into between the dormitory authority and a local sponsor. Such operating costs shall be subject to such maximum limitations and joint regulations as shall be prescribed by both the city university trustees and the state university trustees with the approval of the director of the budget. Such limitations shall be based upon maximum allowances per student for each student in attendance in the case of operating costs, or in accordance with such other factors as may be deemed appropriate. Operating costs shall include courses offered for the purpose of providing occupational training or assistance to business for the creation and retention of job opportunities and for the improvement of productivity, through contracts or arrangements between a community college and a business, labor organization, or not-for-profit corporations or other nongovernmental organizations, including labor-management committees composed of labor, business and community leaders organized to promote labor-management relations, productivity, the quality of working life, industrial development, and retention of business in the community.

(ii) By December thirty-first, nineteen hundred seventy-three, the state university trustees shall develop a new formula for the financing of the operating costs of community colleges. Such formula may include maximum limitations, regulations, and incentives to achieve compliance with the code of standards and procedures for community colleges.

The state university trustees shall present to the governor proposed legislation incorporating such formula into law for consideration during the nineteen hundred seventy-four regular session of the legislature. The state university trustees shall also present a detailed analysis of the fiscal impact of such a formula on the state and on each community college within the state. THE UNIVERSITY TRUSTEES SHALL DEVELOP AN AMENDED FORMULA AND SHALL PRESENT SUCH FORMULA TO THE GOVERNOR BY JANUARY FIRST, TWO THOUSAND FIFTEEN.

1 Such formula or the amended version thereof, upon enactment into law,
2 shall replace any limitations and regulations then in existence concern-
3 ing the financing of community colleges promulgated pursuant to this
4 section.

5 (iii) The state university trustees shall, on or before December thir-
6 ty-first in each year, make a report to the governor and legislature as
7 to the status of community college programs and curricula provided for
8 in article one hundred twenty-six of this chapter. Such report shall
9 also contain recommendations for any revision or alteration in the
10 formula for financing the operating costs of community colleges.

11 (iv) The state university trustees shall promulgate regulations,
12 effective the first day of July, nineteen hundred seventy-four, which
13 shall include a code of standards and procedures for the administration
14 and operation of community colleges. Such code of standards and proce-
15 dures, may include, but not be limited to, minimum and maximum standards
16 for academic curricula, minimum and maximum qualitative and quantitative
17 standards for facilities, and standard administrative procedures, which
18 may include schedules and formats for the preparation and submission of
19 annual budgets by the boards of trustees and the local sponsors to the
20 state university trustees, schedules for local sponsors' disbursements
21 to the community colleges of their provided shares of operating costs
22 and systems of accounts for use by the boards of trustees and the local
23 sponsors of the community colleges. Such regulations may supplement,
24 replace or amend any limitations and regulations then in existence
25 promulgated pursuant to this section.

26 b-1. (i) Notwithstanding any provision of law to the contrary, for the
27 community college fiscal year two thousand thirteen--two thousand four-
28 teen and thereafter, each program that confers a credit-bearing certif-
29 icate, an associate of occupational studies degree, or an associate of
30 applied science degree, shall demonstrate that it is preparing students
31 for current and future job opportunities by partnering with employers as
32 follows:

33 (A) The program is a partnership between the community college and one
34 or more employers to train and employ students in a specific occupation;

35 (B) The program has an advisory committee made up of members of whom
36 the majority are employers in the occupation or sector, or a related
37 sector, or is otherwise advised by one or more employers in the occupa-
38 tion or sector, that employ or will employ workers in the region where
39 the community college is located, and such committee serves to advise
40 the community college on the program's curriculum, recruitment, place-
41 ment and evaluation so that it remains up-to-date with employer needs;
42 or

43 (C) The program is in a high-tech sector and is in demand for current
44 or projected job growth, including those sectors identified by the
45 regional economic development council, and is advised by current or
46 potential future employers in the occupation or sector.

47 (ii) On or before January first, two thousand fourteen for the commu-
48 nity college fiscal year two thousand thirteen--two thousand fourteen,
49 November first, two thousand fourteen for the community college fiscal
50 year two thousand fourteen--two thousand fifteen and November first of
51 each community college fiscal year thereafter, the state university
52 trustees and the city university trustees shall each submit a job link-
53 age report to the director of the budget, the chairs of the senate and
54 assembly higher education committees and the chair of the senate finance
55 committee and the chair of the assembly ways and means committee,
56 including an accounting of full time equivalent enrollment in programs

1 that confer credit-bearing certificates, associate of occupational
2 studies degrees, or associate of applied science degrees, in such a form
3 and manner as the director of the budget may require to verify compli-
4 ance with subparagraph (i) of this paragraph.

5 b-2. (i) Notwithstanding any provision of law to the contrary, within
6 amounts appropriated for incentive funding, the state university of New
7 York and city university of New York shall make awards to community
8 colleges from the next generation NY job linkage program incentive fund
9 based on measures of student success for all students enrolled in
10 programs that confer a credit-bearing certificate, an associate of occu-
11 pational studies degree, or an associate of applied science degree,
12 including, but not limited to:

13 (A) The number of students who are employed following degree or
14 certificate completion and their wage gains, if any, as determined by
15 the department of labor, which shall be given the greatest weighting
16 among all measures of student success;

17 (B) The number of degree completions, certificate completions and
18 student transfers to other institutions of higher education;

19 (C) The number of degree and certificate completions under clause (B)
20 of this [paragraph] SUBPARAGRAPH by students considered academically
21 at-risk due to economic disadvantage or other factor of under-represen-
22 tation within the field of study; veterans; and the disabled;

23 (D) The number of students who make adequate progress towards
24 completion of a degree or certificate, which may include accelerated
25 completion of a developmental education program;

26 (E) The number of degree completions in innovative programs designed
27 to enable students to balance school, work and other personal responsi-
28 bilities; and

29 (F) The number of students engaged in career and employment opportu-
30 nities including apprenticeships, cooperative education programs or
31 other paid work experience that is an integral part of their academic
32 program.

33 (ii) Awards shall be made on a pro-rata basis in accordance with a
34 methodology and in a form and manner developed by the director of the
35 budget, in consultation with the state university and city university.

36 (iii) On or before December first of each year, or an alternative date
37 as determined by the director of the budget in consultation with the
38 state university and city university, the state university trustees and
39 the city university trustees shall each submit a plan for approval by
40 the director of the budget to allocate amounts available for the next
41 generation NY job linkage program incentive fund in accordance with this
42 paragraph.

43 c. The local sponsor or sponsors shall provide [one-half of] A PORTION
44 OF the amount of the capital costs, or so much as may be necessary, and
45 [one-third or], in the case of a college implementing a program of full
46 opportunity for local residents, [four-fifteenths] A PORTION of the
47 operating costs IN AN AMOUNT AS DETERMINED BY THE LOCAL SPONSOR, or so
48 much as may be necessary, by appropriations from general revenues or
49 from funds derived from special tax levies earmarked in part or whole
50 for such purposes, by the use of gifts of money or, with the consent of
51 the state university trustees, by the use of property, gifts of property
52 or by the furnishing of services or, where a community college region is
53 the local sponsor, in the manner provided by section sixty-three hundred
54 ten of this chapter. Where the local sponsor or sponsors provide all or
55 a portion of its or their share of capital or operating costs in real or
56 personal property or in services, the valuation of such property and

1 services for the purpose of determining the amount of state aid shall be
2 made by the state university trustees with the approval of the director
3 of the budget. Local sponsors and, in the case of community college
4 regions, any county, city or school district which has appointed members
5 to a community college regional board of trustees may authorize the
6 issuance of bonds or notes pursuant to the provisions of the local
7 finance law to provide any portion or all of its requisite share of such
8 costs for which a period of probable usefulness has been established in
9 the local finance law. Where a county or city is the local sponsor of a
10 community college, or appoints members to a community college regional
11 board of trustees, the expenditures of the county or city for the
12 college, or community college region, shall be a purpose of the county
13 or city provided, however, that taxes to pay the local sponsor's share
14 of operating costs, or the operating shares of the community college
15 region charged to the county, may be charged back to the cities and
16 towns in the county in proportion to the number of students attending
17 the community college each term who were residents of each such city or
18 town at the beginning of such term.

19 C-1. Notwithstanding any provision of law to the contrary, in the case
20 of community college regions, a community college regional board of
21 trustees as finance board of the region may authorize the issuance of
22 bonds, notes or other evidence of indebtedness or the effectuation of a
23 financing transaction by the community college region with the dormitory
24 authority pursuant to the provisions of article eight of title four of
25 the public authorities law to provide all or any portion of such costs
26 for which a period of possible usefulness has been established in the
27 local finance law. Notwithstanding any other provision of law, the
28 community college region shall itself have the power to borrow money for
29 specific objects or purposes or a class or classes of objects or
30 purposes described in section 11.00 of the local finance law by
31 adoption, by two-thirds of the voting strength of the regional board of
32 trustees thereof, of a bond resolution as described in section 32.00 of
33 the local finance law and shall include the recitation described in
34 section 80.00 of the local finance law. Said bond resolution shall
35 include the power to enter into financing transactions with the dormito-
36 ry authority in accordance with the provisions of article eight of title
37 four of the public authorities law. Upon adoption and receipt of the
38 approvals described in subdivision ten of section sixty-three hundred
39 ten of this article, the community college region shall publish a legal
40 notice of estoppel as described in section 81.00 of the local finance
41 law, which shall be applicable to said bond resolution. A community
42 college region is hereby authorized to pledge any revenues or other
43 monies to the payment of any obligations issued, or any financing agree-
44 ment entered into with the dormitory authority.

45 d. Tuition and fees charged students shall be fixed so as not to
46 exceed in the aggregate more than one-third of the amount of operating
47 costs of the community college.

48 1-b. For the purpose of budgeting and expending funds and for the
49 purpose of determining eligibility for state financial aid for operating
50 costs pursuant to subdivision one of this section, subject to rules and
51 regulations of the state university trustees and the approval of the
52 director of the budget, the community colleges in the city of New York
53 sponsored by the board of higher education or by the city of New York
54 where the board of higher education has been designated as the trustees
55 of such colleges, shall be treated as a single community college.

1 2. Community colleges shall be empowered and authorized through their
2 boards of trustees, to accept gifts, grants, bequests and devises abso-
3 lutely or in trust for such purposes as may be appropriate or proper for
4 effectuating the programs and objectives of such colleges.

5 3. Nothing herein contained shall be construed to prevent any local
6 sponsor or sponsors from creating and operating community colleges which
7 exceed maximum cost limitations or allowances prescribed by the state
8 university trustees, provided however, that the [excess] costs over such
9 prescribed limits or allowances shall be borne and paid for or otherwise
10 made available to or by such sponsors IN AN AMOUNT TO BE DETERMINED BY
11 THE LOCAL SPONSOR.

12 4. Where two or more local sponsors jointly establish and operate a
13 community college, the local share of the capital costs shall be appor-
14 tioned among them according to [their respective equalized assessed
15 valuations or such other factors or bases as may be provided or
16 prescribed in the plans, standards and regulations prescribed by the
17 state university trustees. The local share of the operating expenses
18 shall be apportioned among such joint sponsors in accordance with the
19 number of students who are residents of their respective areas, or such
20 other factors as may be prescribed in the plans, standards and regu-
21 lations by the state university trustees] AN AGREEMENT BETWEEN THE SPON-
22 SORS.

23 5. Any community college may, with the consent and approval of its
24 local legislative body or board, community college regional board of
25 trustees, or other appropriate governing agency, and the state universi-
26 ty trustees, require lesser tuition charges or fees from persons who are
27 residents of the sponsoring community, communities or community college
28 region [than the amount necessary in the aggregate to provide one-third
29 of the operating costs], or provide tuition to such persons without
30 charge, provided that the local legislative body or board, community
31 college regional board of trustees or other appropriate governing agency
32 appropriates sufficient funds, or sufficient funds are made available
33 from other sources to provide the amount which would normally be
34 provided by such tuition and fees. Each community college shall provide
35 that upon request by a student who is an eligible veteran the payment of
36 tuition and fees, less the amounts payable for such purposes from schol-
37 arships or other financial assistance awarded said veteran pursuant to
38 article thirteen of this chapter, article one hundred thirty of this
39 chapter or any other community college, state or federal financial aid
40 program, shall be deferred in such amounts and until such times as the
41 several payments of veterans' benefits under the Veterans' Readjustment
42 Benefit Act of 1966, as amended, are received by the veteran, provided
43 that the veteran has filed a claim for such benefits and presents to the
44 community college proof of eligibility, extent of entitlement to bene-
45 fits and the need for deferral until the receipt of such benefits.

46 5-a. Notwithstanding the provisions of any general, special or local
47 law to the contrary, the fiscal year of a community college other than
48 in the city of New York and other than one sponsored by a school
49 district, shall begin with the first day of September and end with the
50 thirty-first day of August in each year. All of the provisions of law
51 fixing times or dates within which or by which certain acts shall be
52 performed in relation to the preparation and adoption of the budget of a
53 city or a county, including but not limited to submission of a budget
54 estimate, filing of a tentative budget, public hearing and adoption of a
55 budget, shall apply to the budget of a community college sponsored by
56 such city or county but shall be correspondingly changed, as to time, to

1 relate to the commencement of the fiscal year of the community college;
2 provided, however, that after the budget for the community college shall
3 have been adopted, the local legislative body or board or other appro-
4 priate governing body shall provide for the raising of taxes required by
5 such budget, without any decrease in amount, in the same manner and at
6 the same time prescribed by law for the annual levy of taxes by or for
7 the city or county. All of the provisions of law fixing times and dates
8 within which or by which certain acts shall be performed in relation to
9 the preparation and adoption of the budget of a school district shall
10 apply to the budget of a community college sponsored by a school
11 district. The provisions of this subdivision shall not apply to communi-
12 ty college regions.

13 5-b. Moneys raised by taxation for maintenance of a community college
14 and moneys received from all other sources for purposes of the community
15 college, other than in the city of New York, shall be kept separate and
16 distinct from any other moneys of the sponsor or sponsors and shall not
17 be used for any other purpose. The amount of taxes levied for mainte-
18 nance of a community college shall be credited thereto and made avail-
19 able therefor within the fiscal year of such community college. The
20 provisions of this subdivision shall not apply to community college
21 regions.

22 6. The local legislative body or board, or other appropriate governing
23 agency, other than a community college regional board of trustees, shall
24 provide the local sponsor's share of the community college operating and
25 capital costs in conformance with such sponsor's annual budgetary appro-
26 priation, and shall direct that payment of all appropriations for main-
27 tenance of the college be made to the board of trustees of the college
28 for expenditure by the board, subject to the terms and conditions of
29 such appropriations appearing in such budget and to such regulations
30 regarding the custody, deposit, audit and payment thereof as such local
31 legislative body or board, or other appropriate governing agency, may
32 deem proper to carry out the terms of the budget; provided that any
33 local sponsor which, as of January first, nineteen hundred eighty-eight,
34 provided for audit and payment of charges against the community college
35 in the same manner as it provides for other charges against the local
36 sponsor, may continue to do so for a period not to extend beyond Septem-
37 ber first, nineteen hundred eighty-nine.

38 Such local legislative body or board, or other appropriate governing
39 agency, shall authorize the board of trustees of the college to elect a
40 treasurer, establish a bank account or accounts in the name of the
41 college and deposit therein moneys received or collected by the college,
42 including moneys appropriated and paid by the local sponsor, moneys
43 received from tuition, fees, charges, sales of products and services,
44 and from all other sources. The board of trustees of the college shall,
45 subject to the requirements specified in or imposed pursuant to this
46 subdivision, authorize the treasurer to pay all proper bills and
47 accounts of the college, including salaries and wages, from funds in its
48 custody. The treasurer shall execute a bond or official undertaking to
49 the board of trustees of the college in such sum and with such sureties
50 as that board shall require, the expense of which shall be a college
51 charge.

52 The board of trustees of the college similarly shall authorize the
53 treasurer to establish and maintain petty cash funds, not in excess of
54 two hundred dollars each, for specified college purposes or under-
55 takings, from which may be paid, in advance of audit, properly itemized
56 and verified or certified bills for materials, supplies or services

1 furnished to the college for the conduct of its affairs and upon terms
2 calling for the payment of cash to the vendor upon the delivery of any
3 such materials or supplies or the rendering of any such services. Lists
4 of all expenditures made from such petty cash funds shall be presented
5 to the board of trustees at each regular meeting thereof, together with
6 the bills supporting such expenditures, for audit and the board shall
7 direct reimbursement of such petty cash funds from the appropriate budg-
8 etary item or items in an amount equal to the total of such bills which
9 it shall so audit and allow. Any of such bills or any portion of any of
10 such bills as shall be disallowed upon audit shall be the personal
11 responsibility of the treasurer and such official shall forthwith reim-
12 burse such petty cash fund in the amount of such disallowances.

13 The board of trustees of the college shall provide for periodic audits
14 of all accounts maintained at its direction and render such reports
15 respecting any and all receipts and expenditures of the college as the
16 local legislative body or board, or other appropriate governing agency,
17 may direct.

18 7. The board of trustees of the college, or the community college
19 regional board of trustees may require any bank or banker in which
20 community college moneys are on deposit or are to be deposited to file
21 with the board a surety bond payable to the college executed by a surety
22 company authorized to transact business in this state and securing to
23 the college the payment of such deposits and the agreed interest there-
24 on, if any. In lieu of a surety bond, the board may require any such
25 bank or banker to deposit with it outstanding unmatured obligations of
26 the United States of America, the state of New York, or of any munici-
27 pality or college of the state of New York, as security for such moneys
28 so deposited; but such obligations shall be subject to the approval of
29 the board and shall be deposited in such place and held under such
30 conditions as the board may determine. Every depository of college
31 moneys is hereby authorized and empowered to secure deposits of such
32 moneys as provided in this subdivision.

33 8. a. The state shall, in addition to any other funds that may be
34 appropriated for assistance to community colleges, annually appropriate
35 and pay

36 (i) to the local sponsor of each community college, except a community
37 college where the local sponsor has entered into an agreement with the
38 dormitory authority to finance and construct a community college facili-
39 ty, an amount equal to the aggregate of all rentals and all payments due
40 and payable to the dormitory authority pursuant to any lease, sublease,
41 or other agreement entered into between the dormitory authority and such
42 local sponsor, whether or not such local sponsor shall be liable there-
43 for, for each twelve-month period beginning on the next succeeding July
44 first, and

45 (ii) to the local sponsor of each community college where the local
46 sponsor has entered into an agreement with the dormitory authority to
47 finance and construct a community college facility, an amount equal to
48 one-half of all rentals and all payments due and payable to the dormito-
49 ry authority pursuant to any lease, sublease, or other agreement entered
50 into between the dormitory authority and such local sponsor, whether or
51 not such local sponsor shall be liable therefor, for each twelve-month
52 period beginning on the next succeeding July first, provided, however,
53 if such a local sponsor shall thereafter agree to finance the costs of
54 providing all or part of a community college facility the state shall,
55 instead, annually appropriate and pay to such local sponsor an amount
56 equal to that portion of all rentals and all payments due and payable to

1 the dormitory authority during the twelve-month period beginning on the
2 next succeeding July first pursuant to any lease, sublease or other
3 agreement providing for such financing which portion represents the
4 state's share (one-half) of the cost of each facility being financed,
5 whether or not the local sponsor shall be liable to pay such rentals and
6 payments, and

7 (iii) to the local sponsor of each community college which has
8 financed the entire capital cost of constructing a community college
9 facility, an amount equal to one-half of the annual debt service on
10 obligations issued by such local sponsor for the purpose of constructing
11 such facility. No local sponsor of a community college shall be eligible
12 for assistance pursuant to the provisions of this paragraph unless: (a)
13 a first instance appropriation has been enacted into state law prior to
14 the commencement of construction; and (b) the state comptroller has
15 approved the interest rate of any and all obligations issued by such
16 local sponsor after July twenty-fourth, nineteen hundred seventy-six to
17 finance the cost of such facility prior to the issuance of such obli-
18 gations; and (c) all contracts for the construction of such facility
19 entered into by such local sponsor after July twenty-fourth, nineteen
20 hundred seventy-six have been approved by the director of the budget
21 prior to the awarding of such contracts.

22 (iv) notwithstanding any other provision of this paragraph to the
23 contrary, if the dormitory authority and the state university of New
24 York shall have entered into an agreement pursuant to subdivision twen-
25 ty-one of section sixteen hundred seventy-eight of the public authori-
26 ties law and paragraph x of subdivision two of section three hundred
27 fifty-five of this chapter, the amounts otherwise payable to the local
28 sponsors of the community colleges pursuant to this subparagraph on
29 account of the state's share of the cost of each facility being financed
30 shall be payable to the dormitory authority in accordance with subdivi-
31 sion five of section ninety-seven-p of the state finance law.

32 b. For the purposes of this subdivision, all references to the local
33 sponsor of a community college shall be deemed, in the case of community
34 college regions, to refer to those counties, cities or school districts
35 which have appointed members to a community college regional board of
36 trustees.

37 c. For purposes of this subdivision, the reference to the local spon-
38 sor of a community college may be deemed, in the case of a community
39 college region, to alternatively refer to the community college regional
40 board of trustees thereof.

41 9. a. Where construction of a community college facility has commenced
42 pursuant to the provisions of a lease, sublease or other agreement with
43 the dormitory authority or prior to July twenty-fourth, nineteen hundred
44 seventy-six, the local sponsor of such community college may elect to
45 finance the entire capital cost of constructing such facility pursuant
46 to the provisions of subdivision ten of this section, provided, however,
47 that the proceeds of obligations issued by such local sponsor to finance
48 the capital cost of constructing such facility may be paid to the dormi-
49 tory authority to the extent of amounts owing under a lease, sublease or
50 other agreement with the dormitory authority entered into by such local
51 sponsor with respect to such facility, and provided further that any
52 such local sponsor which elected to refinance the entire capital cost of
53 constructing a community college facility pursuant to the provisions of
54 this subdivision, may, at the time it enters into permanent financing of
55 such facility, elect to do so pursuant to the provisions of the dormito-
56 ry authority act or subdivision ten of this section.

1 b. For the purposes of this subdivision, all references to the local
2 sponsor of a community college shall be deemed, in the case of community
3 college regions, to refer to those counties, cities or school districts
4 which have appointed members to a community college regional board of
5 trustees.

6 10. a. Each local sponsor of a community college shall have full power
7 and authority to finance all or a portion of the capital costs of a
8 community college facility pursuant to the provisions of the local
9 finance law and to expend the proceeds therefrom to pay such costs.

10 b. For the purposes of this subdivision, the reference to the local
11 sponsor of a community college shall be deemed, in the case of community
12 college regions, to refer to those counties, cities or school districts
13 which have appointed members to a community college regional board of
14 trustees.

15 c. A community college region shall have full power and authority to
16 finance all or a portion of the capital costs of a regional community
17 college facility pursuant to the provisions of article eight of title
18 four of the public authorities law and to expend the proceeds therefrom
19 to pay such costs.

20 11. a. The following terms, when used or referred to in this subdivi-
21 sion, shall have the following meaning:

22 (i) "Credit card" means any credit card, credit plate, charge card,
23 charge plate, courtesy card, debit card, other identification card,
24 value transfer device as defined by the state comptroller or device
25 issued by a person to another person which may be used to obtain a cash
26 advance or a loan or credit, or to purchase or lease property or
27 services on the credit of the person issuing the credit card or a person
28 who has agreed with the issuer to pay obligations arising from the use
29 of a credit card issued to another person.

30 (ii) "Card issuer" means an issuer of a credit card, charge card or
31 other value transfer device.

32 (iii) "Financing agency" means any agency defined as such in subdivi-
33 sion eighteen of section four hundred one of the personal property law.

34 (iv) "Person" means an individual, partnership, corporation or any
35 other legal or commercial entity.

36 b. The board of trustees of any community college may determine, by
37 resolution, that it is in the public interest to authorize such communi-
38 ty college to enter into agreements with one or more financing agencies
39 or card issuers to provide for the acceptance, by such officers of the
40 community college as may be designated pursuant to this subdivision, of
41 credit cards as a means of payment of tuition, expenses, fees, charges,
42 revenue, financial obligations or other amounts owed by students to the
43 community college. Any such agreement shall govern the terms and condi-
44 tions upon which a credit card proffered as a means of payment of
45 tuition, expenses, fees, charges, revenue, financial obligations or
46 other amounts shall be accepted or declined and the manner in and condi-
47 tions upon which the financing agency or card issuer shall pay to such
48 community college the amount of tuition, expenses, fees, charges, reven-
49 ue, financial obligations or other amounts paid by means of a credit
50 card pursuant to such agreement. Any such agreement may provide for the
51 payment by such community college to such financing agency or card
52 issuer of fees for the services provided by such financing agency or
53 card issuer pursuant to such agreement, which fees may consist of a
54 discount deducted from or payable in respect of the amount of each such
55 tuition, expense, fee, charge, revenue, financial obligation or other
56 amount. If fees are paid by such a discount, they shall be post-audited

1 by the officer or board of the community college responsible for audit-
2 ing claims against the community college.

3 c. Any community college which has entered into an agreement with a
4 financing agency or card issuer as authorized by this subdivision may
5 accept credit cards as a means of payment of tuition, expenses, fees,
6 charges, revenue, financial obligations or other amounts, as provided in
7 such agreement and may pay such fees as are specified in such agreement
8 to such financing agency or card issuer in consideration of the services
9 rendered by such financing agency or card issuer thereunder. Notwith-
10 standing any other provision of law to the contrary, it shall be the
11 option of the board of trustees of the community college to require, as
12 a condition of accepting payment by credit card, that such person offer-
13 ing payment by credit or charge card pay a service fee to the community
14 college not exceeding costs incurred by the community college in
15 connection with the credit or charge card payment transaction, including
16 any fee owed by the community college to the financing agency or card
17 issuer arising from that transaction.

18 d. Contracts entered into pursuant to this subdivision between commu-
19 nity college and financing agencies or card issuers shall be awarded in
20 accordance with the community college's written internal policies and
21 procedures governing procurements.

22 e. The underlying debt, lien, obligation, bill, account or other
23 amount owed by the student to the community college for which payment by
24 credit card is accepted by the community college shall not be expunged,
25 cancelled, released, discharged or satisfied, and any receipt or other
26 evidence of payment shall be deemed conditional, until the community
27 college has received final and unconditional payment of the full amount
28 due from the financing agency or card issuer for such credit card trans-
29 action.

30 f. The board of trustees, in enacting a resolution pursuant to this
31 subdivision, shall designate which of its officers, charged with the
32 duty of collecting or receiving moneys on behalf of the community
33 college, shall be authorized to accept credit cards as a means of
34 payment of tuition, expenses, fees, charges, revenue, financial obli-
35 gations and other amounts.

36 g. Under circumstances where community colleges are otherwise author-
37 ized by law to contract for the collection of tuition, expenses, fees,
38 charges, revenue, financial obligations or other amounts, such contract
39 shall provide that the contractor accept credit cards as a mechanism for
40 payment.

41 12. a. Notwithstanding any other law to the contrary, whenever an
42 officer of a community college is authorized pursuant to law to disburse
43 or transfer on behalf of the community college funds in the custody of
44 the officer, that officer shall be authorized to disburse or transfer
45 such funds by means of electronic or wire transfer. Such disbursement
46 shall be otherwise subject to applicable laws, provided that:

47 (i) the board of trustees of the community college has entered into a
48 written agreement with the bank or trust company in which such funds
49 have been deposited, prescribing the manner in which electronic or wire
50 transfer of such funds shall be accomplished, identifying by number and
51 name those accounts from which electronic or wire transfers may be made,
52 identifying which officer or officers are authorized to order the elec-
53 tronic or wire transfer of funds from those accounts, and implementing a
54 security procedure as defined in section 4-A-201 of the uniform commer-
55 cial code; and

(ii) the bank or trust company processing the transfer shall provide to the officer ordering the electronic or wire transfer of funds written confirmation of each such transaction no later than the business day following the day on which the funds are transmitted.

b. It shall be the duty of the board of trustees of the community college to adopt a system of internal controls for the documentation and reporting of all transfers or disbursements of funds accomplished by electronic or wire transfer.

13. a. The board of trustees of any community college may determine, by resolution, that it is in the public interest and authorize such community college to provide for the acceptance of tuition, expenses, fees, charges, revenue, financial obligations or other amounts via a community college internet website. However, submission via the internet may not be required as the sole method for the collection of tuition, expenses, fees, charges and other amounts. Such payments shall be accepted via the internet in a manner and condition defined by such community college. Any method used to receive internet payments shall comply with article one of the state technology law and any rules and regulations promulgated and guidelines developed thereunder and, at a minimum must:

(i) authenticate the identity of the sender; and

(ii) ensure the security of the information transmitted.

b. Payments received via the internet shall be considered received by the appropriate officer and paid by the payor at the time the internet transaction is completed and sent by the payor.

c. The underlying debt, lien, obligation, bill, account or other amount owed by the student to the community college for which payment by internet is accepted by the community college shall not be expunged, cancelled, released, discharged or satisfied, and any receipt or other evidence of payment shall be deemed conditional, until the community college has received final and unconditional payment of the full amount due.

d. The board of trustees, in enacting a resolution pursuant to this subdivision, shall designate which of its officers, charged with the duty of collecting or receiving moneys on behalf of the community college, shall be authorized to accept such payments via the internet.

S 2. This act shall take effect immediately and shall apply to all school years commencing on and after July 1, 2015.