

# STATE OF NEW YORK

2387

2017-2018 Regular Sessions

## IN ASSEMBLY

January 20, 2017

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 Assembly, 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 § 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

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

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1 operating costs for any fiscal year of the college during which it is  
2 implementing a program of full opportunity provided a plan has been  
3 approved by the state university trustees. Such plan, which shall be  
4 submitted by the college only after approval by the board of trustees  
5 and the local sponsor or sponsors, shall

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

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

17 (iii) make provision for and contain adequate assurances of the  
18 expenditure of funds by the sponsor or sponsors at a level [~~pursuant to~~  
19 ~~state university regulations~~] as determined by the sponsor or sponsors,  
20 at least that necessary to implement the plan;

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

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

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

51 The state university trustees shall present to the governor proposed  
52 legislation incorporating such formula into law for consideration during  
53 the nineteen hundred seventy-four regular session of the legislature.  
54 The state university trustees shall also present a detailed analysis of  
55 the fiscal impact of such a formula on the state and on each community  
56 college within the state. The university trustees shall develop an

1 amended formula and shall present such formula to the governor by Janu-  
2 ary first, two thousand sixteen.

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

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

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

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

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

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

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

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

1 committee and the chair of the assembly ways and means committee,  
2 including an accounting of full time equivalent enrollment in programs  
3 that confer credit-bearing certificates, associate of occupational  
4 studies degrees, or associate of applied science degrees, in such a form  
5 and manner as the director of the budget may require to verify compli-  
6 ance with subparagraph (i) of this paragraph.

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

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

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

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

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

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

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

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

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

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

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

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

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

51 1-b. For the purpose of budgeting and expending funds and for the  
52 purpose of determining eligibility for state financial aid for operating  
53 costs pursuant to subdivision one of this section, subject to rules and  
54 regulations of the state university trustees and the approval of the  
55 director of the budget, the community colleges in the city of New York  
56 sponsored by the board of higher education or by the city of New York



1 where the board of higher education has been designated as the trustees  
2 of such colleges, shall be treated as a single community college.

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

7 3. Nothing herein contained shall be construed to prevent any local  
8 sponsor or sponsors from creating and operating community colleges which  
9 exceed maximum cost limitations or allowances prescribed by the state  
10 university trustees, provided however, that the [~~excess~~] costs over such  
11 prescribed limits or allowances shall be borne and paid for or otherwise  
12 made available to or by such sponsors in an amount to be determined by  
13 the local sponsor.

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

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

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

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

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

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

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

54 The board of trustees of the college similarly shall authorize the  
55 treasurer to establish and maintain petty cash funds, not in excess of  
56 two hundred dollars each, for specified college purposes or under-

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

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

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

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

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

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



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

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

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

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

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

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

1 such facility, elect to do so pursuant to the provisions of the dormitory authority act or subdivision ten of this section.

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

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

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

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

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

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

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

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

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

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

1 tuition, expense, fee, charge, revenue, financial obligation or other  
2 amount. If fees are paid by such a discount, they shall be post-audited  
3 by the officer or board of the community college responsible for audit-  
4 ing claims against the community college.

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

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

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

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

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

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

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

1 security procedure as defined in section 4-A-201 of the uniform commer-  
2 cial code; and

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

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

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

23 (i) authenticate the identity of the sender; and

24 (ii) ensure the security of the information transmitted.

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

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

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

39 § 2. This act shall take effect immediately and shall apply to all  
40 school years commencing on and after July 1, 2016.