

STATE OF NEW YORK

5800

2019-2020 Regular Sessions

IN SENATE

May 15, 2019

Introduced by Sen. THOMAS -- read twice and ordered printed, and when printed to be committed to the Committee on Higher Education

AN ACT to amend the education law, in relation to standards for for-profit higher education institutions

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The education law is amended by adding a new section 239-c
2 to read as follows:

3 § 239-c. Standards for for-profit higher education institutions. 1.
4 For the purposes of this section the following terms shall have the
5 following meanings:

6 (a) "For-profit institution of higher education" means a school that:
7 (i) provides a program leading to an associates or baccalaureate
8 degree;

9 (ii) is legally authorized in New York state to provide a program of
10 education beyond secondary education; and

11 (iii) is neither a public or non-profit institution.

12 (b) "Student instruction" means expenditures for salaries, fringe
13 benefits, professional development expenses, and other payments made to
14 instructors related to classroom instruction.

15 (c) "Academic support and advising" means expenditures related to the
16 advisement of students on course selection or out of classroom tutoring.

17 (d) "Career services" means expenditures in assisting students in the
18 areas of resume and cover letter writing, interviewing and strategies
19 for getting a job.

20 2. (a) Commencing in the two thousand nineteen--two thousand twenty
21 academic year and thereafter, a for-profit institution of higher educa-
22 tion shall spend no less than fifty percent of such institution's annual
23 revenues on expenditures in the areas of student instruction, academic
24 support and advising, or career services.

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

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1 (b) Expenditures made for in the areas of student instruction, academ-
2 ic support and advising, or career services shall not include expendi-
3 tures for student recruitment, marketing, direct mailing or expenses of
4 non-instructional staff whose primary duties are not student instruc-
5 tion, academic support and advising, or career services.

6 (c) A for-profit institution of higher education that fails to meet
7 the requirement of paragraph (a) of this subdivision shall be ineligible
8 to enroll new students participating in any program authorized under
9 this chapter for a period of not less than two academic years, commenc-
10 ing with the academic year immediately following the year in which the
11 institution's financial statement demonstrating failure to meet the
12 requirement for the academic year is submitted to the commissioner
13 pursuant to subdivision three of this section. To regain eligibility to
14 enroll new students participating in the programs authorized under this
15 chapter, a for-profit institution of higher education shall demonstrate
16 compliance with paragraph (a) of this subdivision for a minimum of two
17 consecutive academic years after the academic year in which the institu-
18 tion became ineligible.

19 3. On or before September first, a for-profit institution of higher
20 education shall annually submit to the commissioner a detailed financial
21 statement disclosing the institution's revenues and expenditures for the
22 prior academic year and shall disclose the sources of revenue by type as
23 well as types of expenditures. Such statement shall also include a list-
24 ing of the total individual compensation from the institution to all
25 officers, directors, board members, trustees, shareholders, members,
26 owners, and senior administrators, including all fringe benefits, bonus-
27 es, and performance incentives paid in the prior academic year. Such
28 statement shall adhere to generally accepted accounting principles and
29 shall be certified by an independent certified public accountant and
30 certified by the president of the institution. Such statement shall be
31 submitted in a form and manner as determined by the commissioner.

32 4. The commissioner is authorized to promulgate rules and regulations,
33 and may promulgate emergency regulations, necessary for the implementa-
34 tion of the provisions of this section.

35 § 2. This act shall take effect immediately.