

# STATE OF NEW YORK

948

2023-2024 Regular Sessions

## IN SENATE

January 9, 2023

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 twenty-three--two thousand twen-  
21 ty-four academic year and thereafter, a for-profit institution of higher  
22 education shall spend no less than fifty percent of such institution's  
23 annual revenues on expenditures in the areas of student instruction,  
24 academic 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.