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:

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

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

(a) "For-profit institution of higher education" means a school that:

(i) provides a program leading to an associates or baccalaureate degree;

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

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

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

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

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

2. (a) Commencing in the two thousand twenty-three--two thousand twenty-four academic year and thereafter, a for-profit institution of higher education shall spend no less than fifty percent of such institution's annual revenues on expenditures in the areas of student instruction, 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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(b) Expenditures made for in the areas of student instruction, academic support and advising, or career services shall not include expenditures for student recruitment, marketing, direct mailing or expenses of non-instructional staff whose primary duties are not student instruction, academic support and advising, or career services.

(c) A for-profit institution of higher education that fails to meet the requirement of paragraph (a) of this subdivision shall be ineligible to enroll new students participating in any program authorized under this chapter for a period of not less than two academic years, commencing with the academic year immediately following the year in which the institution's financial statement demonstrating failure to meet the requirement for the academic year is submitted to the commissioner pursuant to subdivision three of this section. To regain eligibility to enroll new students participating in the programs authorized under this chapter, a for-profit institution of higher education shall demonstrate compliance with paragraph (a) of this subdivision for a minimum of two consecutive academic years after the academic year in which the institution became ineligible.

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

4. The commissioner is authorized to promulgate rules and regulations, and may promulgate emergency regulations, necessary for the implementation of the provisions of this section.

§ 2. This act shall take effect immediately.