

STATE OF NEW YORK

11333

IN ASSEMBLY

May 11, 2026

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Blumencranz)
-- read once and referred to the Committee on Higher Education

AN ACT to amend the education law, in relation to establishing the empire prepaid college program to provide families with affordable, guaranteed tuition plans for New York state public postsecondary institutions; and to amend the state finance law, in relation to establishing the empire prepaid college fund

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

1 Section 1. Short title. This act shall be known and may be cited as
2 the "New York state prepaid college access and affordability act".

3 § 2. Legislative findings and intent. The Legislature finds that the
4 rising cost of higher education places an increasing burden on New York
5 families and deters many qualified students from pursuing a college
6 degree at our state colleges and universities. New York currently oper-
7 ates 529 college savings accounts, but these plans do not guarantee
8 tuition coverage or protect families from future tuition increases.

9 The intent of this legislation is to create an empire prepaid college
10 program, enabling families to purchase tuition and housing credits at
11 today's rates for future use at in-state public colleges and universi-
12 ties, ensuring predictability, affordability, and access to higher
13 education across the Empire State.

14 § 3. The education law is amended by adding a new article 129-C to
15 read as follows:

ARTICLE 129-C

EMPIRE PREPAID COLLEGE PROGRAM

Section 6450-a. Establishment of the program.

6450-b. Empire prepaid college board.

6450-c. Prepaid tuition and housing plans.

6450-d. Transferability and portability.

6450-e. Scholarships and unused funds.

6450-f. State pledge.

6450-g. Confidentiality.

6450-h. Refunds and termination.

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

LBD15764-01-6

6450-i. Tax status.

6450-j. Implementation and rules.

6450-k. Establishment of the empire prepaid promise fund.

§ 6450-a. Establishment of the program. There is hereby established the empire prepaid college program (hereafter referred to in this article as "the program"), administered by the empire prepaid college board, to enable advance payments of tuition and dormitory fees for attendance at state university of New York (SUNY), city university of New York (CUNY), and community colleges.

§ 6450-b. Empire prepaid college board. 1. An empire prepaid college board referred to as the "board" in this article, is hereby created as a public corporate entity within the higher education services corporation (HESC).

2. The board shall consist of:

(a) the state comptroller, or their designee;

(b) the commissioner, or their designee;

(c) the chancellor of the state university of New York, or their designee;

(d) the chancellor of the city university of New York, or their designee;

(e) two members appointed by the governor with expertise in finance or higher education;

(f) one member appointed by the speaker of the assembly;

(g) one member appointed by the minority leader of the assembly;

(h) one member appointed by the temporary president of the senate;

(i) one member appointed by the minority leader of the senate; and

(j) one member appointed by the commissioner with expertise in community college education.

3. The board shall have authority to:

(a) Develop and offer prepaid tuition and housing contracts;

(b) Manage an actuarially empire prepaid college fund;

(c) Partner with private, nonprofit, or community organizations for scholarship matching; and

(d) Ensure plan portability to private or out-of-state institutions under IRS section 529.

§ 6450-c. Prepaid tuition and housing plans. 1. The board shall offer:

(a) A community college plan, covering up to sixty credit hours or the associate degree equivalent;

(b) A university plan, covering up to one hundred twenty credit hours or the bachelor's degree equivalent; and

(c) An optional dormitory housing plan, covering up to eight semesters of on-campus residence.

2. Plans may be purchased in full, in installments, or through payroll deduction agreements.

3. Plans shall guarantee tuition and mandatory fees at the rate in effect at the time of purchase, regardless of future cost increases.

§ 6450-d. Transferability and portability. 1. Benefits may be transferred among qualified family members.

2. Benefits may be used at any accredited institution eligible under section 529 of the Internal Revenue Code, up to the equivalent value of the state rate.

§ 6450-e. Scholarships and unused funds. 1. A portion of unclaimed or unused funds may be redirected by the board to establish merit- and need-based scholarships under the empire prepaid promise fund.

2. Such funds may be matched by private donations or nonprofit organizations for maximum impact.

1 § 6450-f. State pledge. The state pledges to fulfill the financial
2 obligations of the program if the program's assets are insufficient to
3 meet contractual obligations. The legislature shall appropriate funds to
4 honor any and all prepaid commitments.

5 § 6450-g. Confidentiality. Purchaser and beneficiary information shall
6 be kept confidential and exempt from freedom of information requests,
7 except for purposes of enrollment verification by state university of
8 New York or the city university of New York institutions.

9 § 6450-h. Refunds and termination. 1. Refunds shall be available under
10 the following circumstances:

11 (a) Death or disability of beneficiary;

12 (b) Receipt of scholarship covering the same benefits;

13 (c) Decision not to enroll in higher education; and

14 (d) Non-completion of the degree program.

15 2. The refund amount shall not exceed the amount contributed.

16 § 6450-i. Tax status. All prepaid contracts under this article shall
17 comply with section 529 of the United States Internal Revenue Code.
18 Contributions shall be eligible for existing New York 529 tax benefits.

19 § 6450-j. Implementation and rules. The board shall adopt all neces-
20 sary rules and regulations to implement this article within one year of
21 the effective date of this article.

22 § 6450-k. Establishment of the empire prepaid promise fund. 1. There
23 is hereby established the empire prepaid promise fund, to be used exclu-
24 sively to support scholarships and educational assistance for econom-
25 ically disadvantaged students across New York state.

26 2. The fund shall be administered by the empire prepaid college board
27 in partnership with the higher education services corporation (HESC),
28 which shall oversee the distribution of scholarship funds to eligible
29 students or nonprofit scholarship providers.

30 3. The empire prepaid promise fund shall be capitalized by the follow-
31 ing sources:

32 (a) Unclaimed, unused, or forfeited funds from terminated advance
33 payment contracts after the period of eligibility has expired, as deter-
34 mined by the board;

35 (b) Voluntary donations from individuals, corporations, philanthropic
36 organizations, and other private entities;

37 (c) Matching contributions from nonprofit organizations approved by
38 the board that operate scholarship programs consistent with the fund's
39 mission; and

40 (d) Legislative appropriations, as may be authorized from time to
41 time.

42 4. Scholarships issued through the fund shall be:

43 (a) Reserved for students who meet financial need criteria as deter-
44 mined by the higher education services corporation or the administering
45 nonprofit entity;

46 (b) Applied toward prepaid tuition and housing plans under the New
47 York prepaid college program;

48 (c) Awarded through board-approved nonprofit organizations operating
49 501(c)(3) scholarship programs or directly by the board;

50 (d) Portable to any SUNY, CUNY, or New York state community college.

51 5. (a) The board shall issue an annual report detailing the amount of
52 funds collected, awarded, carried over, and anticipated for the follow-
53 ing fiscal year.

54 (b) The fund shall be subject to annual audit by the state comp-
55 troller.

1 (c) All funds in the empire prepaid promise fund shall be held in
2 trust and shall not revert to the general fund of the state.

3 6. In the event the empire prepaid college program is discontinued,
4 all remaining assets in the empire prepaid promise fund shall be used to
5 fulfill existing scholarship obligations or transferred to another
6 state-operated college affordability or financial aid program, as deter-
7 mined by the legislature.

8 § 4. The state finance law is amended by adding a new section 99-uu to
9 read as follows:

10 § 99-uu. Empire prepaid promise fund. 1. There is hereby established
11 in the joint custody of the commissioner of education and the comp-
12 trroller, a special fund to be known as the "empire prepaid promise
13 fund".

14 2. Such fund shall consist of monies from the revenue raised pursuant
15 to subdivision three of section sixty-four hundred fifty-k of the educa-
16 tion law.

17 3. Monies of the fund shall be expended to be used exclusively to
18 support scholarships and educational assistance for economically disad-
19 vantaged students across New York state.

20 4. Monies shall be payable from the fund on the audit and warrant of
21 the comptroller on vouchers approved and certified by the commissioner
22 of education.

23 § 5. Severability. If any provision of this act, or any application of
24 any provision of this act, is held to be invalid, that shall not affect
25 the validity or effectiveness of any other provision of this act, or of
26 any other application of any provision of this act, which can be given
27 effect without that provision or application; and to that end, the
28 provisions and applications of this act are severable.

29 § 6. This act shall take effect immediately.