



REQUEST FOR INFORMATION (RFI)

for

Financial and Operational Risk Analyses of Institutions of Higher Education

November 21, 2019

New York State Education Department
Office of College and University Evaluation
89 Washington Avenue
Albany, NY 12234

OCUEprocurements@nysed.gov

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Risk Analysis for Institutions of Higher Education

REQUEST FOR INFORMATION

The New York State Education Department (NYSED) hereby issues this “Request for Information” (RFI) to determine vendor interest and best practices with respect to NYSED’s risk analysis needs in the higher education sector. Please note that this is not a request for proposals and responses to this RFI will not lead to a contract with NYSED.

1. Introduction

The New York State Education Department (NYSED) is responsible for oversight of all educational institutions in the state, for operating certain educational and cultural institutions, for certifying teachers, and for registering and licensing practitioners of more than 40 professions. A Board of Regents, consisting of 17 members elected by the state legislature, governs NYSED. The Board oversees the University of the State of New York (USNY), consisting of all public and private schools, colleges and universities, chartered libraries, museums, historical societies, and other educational institutions in the state. NYSED’s chief executive officer is the Commissioner of Education and president of the University, who is appointed by the Board of Regents.

The Office of College and University Evaluation has primary responsibility within NYSED for the regulatory oversight of public, private, and proprietary degree-granting institutions in New York State and the programs of study offered by those institutions. Together, Regents authorization to confer degrees and NYSED program registration make up the state approval process for New York State institutions. Out-of- state institutions that wish to operate with a physical presence in New York or to offer distance education to New York students must also seek NYSED authorization.

This mandatory state approval process is distinct from "institutional accreditation" and the accreditation function of the Board of Regents. Institutional accreditation refers to a voluntary process. Accreditation by an entity recognized by the U.S. Department of Education allows institutions to participate in Title IV federal financial aid programs.

2. Purpose and Objectives

NYSED receives applications for several types of authorization to conduct credit-bearing postsecondary education in New York:

- x New Degree Authority: For organizations seeking to open a New York State institution offering postsecondary degree programs
- x Permission to Operate: For out-of-state institutions of higher education seeking to offer credit-bearing instruction or field experiences with a physical presence in New York State
- x Approval to Offer Distance Education: For out-of-state institutions of higher education seeking to offer credit-bearing distance education to students based in New York State

Entities applying for these types of authorization are diverse in terms of size, location, and corporate structure. Some of these entities require sophisticated reviews that can account for complex financial scenarios, opaque corporate structures, and un(s)4 (c)41 (or)7 (c) and corporate structure. Some of these entities require sophisticated reviews that can

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3. RFI Contact Information and Timeline

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4. Information requested

NYSED is seeking the following information from potential vendors. In addition, entities with knowledge or expertise in the areas described below are encouraged to submit information regarding best practices and available resources related to financial and operational health of institutions of higher education and risk analysis in these areas. Respondents are encouraged to respond as fully as possible to the prompts below. If you are unable to respond to any portion of the prompts, a brief explanation as to why is appreciated, but not required.

4.1 Cover letter

Each respondent should provide a cover letter (limited to no more than two pages in length) that includes the following information:

- x Company/Organization Name
- x Contact Name
- x Title
- x Phone #
- x E-mail address
- x Mailing address

NOTE: Provide additional contact persons as needed.

Each respondent should also provide the following information:

- x A brief description of the organization, including a synopsis of its business model
- x Number of full-time employees
- x Corporate Taxation Status
 - | For-profit companies: Identify whether the company is publicly traded

x

4.4 Risk analysis

In some instances, NYSED may request a broader operational risk analysis for an institution. We will use this analysis to assess the ability of the institution to carry out its mission, as well as the risk of precipitous closure and/or potential consumer protection violations.

Describe how your organization would account for the following factors in an operational risk analysis for an institution of higher education:

- x The financial health of the applicant institution
- x The applicant's current activities, including any authorization requirements or regulatory oversight they are subject to in other locations
- x The applicant's regulatory track record, for example whether there is a history of compliance violations or governmental investigations
- x The applicant's track record regarding consumer protections, including the track record of individuals in leadership roles at the applicant institution
- x The applicant's independence relative to parent and affiliate entities.
- x The applicant's relationship with entities outside of a parent organization. (e.g., MOUs or other agreements with other educational institutions)
- x The stability and transparency of the corporate structure
- x The applicant's donors/supporters and any conflicts of interest related to monetary donations or other gifts
- x The appropriateness of the governance structure and practices, especially as they relate to the potential for self-dealing, fraud, misrepresentation, or disregard for education quality, and including recent changes or upcoming changes to board membership
- x The applicant's track record for responding to market pressures
- x Transparency, independence, and regulatory and financial compliance of affiliated entities
- x The adequacy of the applicant's strategic planning
- x The status of the institution's accreditation(s), including an evaluation of the accreditor, if not recognized by the United States Department of Education

Identify additional factors not listed above that your organization may take into account in its analysis.

Describe how your approach to this analysis would be adapted for institutions operating in each of the environments listed in Objective 3.

Identify and describe the deliverables that your organization can provide as a product of an overall risk analysis (e.g., risk score, detailed report on financial and operational health).

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5. Submission of Response

Responses are due by 3:00 P.M. EST on January 28, 2020 and shall be sent via email to the following address: OCUEprocurements@nysed.gov

Responses should be labeled as “RFI 20-001 – [VENDOR NAME] – IHE Risk Analysis” in the subject line of the email.

Respondents should submit their responses to the prompts in section 4 above as a single .pdf or .docx file. Please place page numbers in the footer and the responding organization’s name in the header of the document. Please also include a table of contents.

6. Disclaimer

Note: This IS NOT a Request for Proposals. It is an invitation to provide NYSED with information regarding financial analysis and risk analysis in the higher education sector. Additionally, responses will be used to gauge the level of interest in providing these types of analysis services to NYSED. Information obtained may be used to develop a needs requirement upon which a future procurement might be based. Please send all questions to the NYSED contact person listed above.

Participation in this RFI is voluntary, and NYSED will not pay for the preparation of any information submitted by a respondent or for NYSED’s use of that information. A response or lack of response to this RFI does not affect any potential vendor’s ability to respond to any future procurements.

Respondents are advised that any proprietary material considered confidential by the respondent must be specifically so identified, and the basis for such confidentiality must be specifically set forth in the response by submitting the form “Request for Exemption from Disclosure Pursuant to the Freedom of Information Law,” located below.

