

# Risk Analysis for Institutions of Higher Education

## REQUEST FOR INFORMATION QUESTIONS AND ANSWERS

The Office of College and University Evaluation has primary responsibility within the New York State Education Department (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. 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.

On November 22, 2019, NYSED issued a "Request for Information" (RFI) to determine vendor interest and best practices with respect to NYSED's risk analysis needs in the higher education sector. Questions relating to the RFI that were submitted by the December 17, 2019 deadline have been collected and responded to below. Entities interested in responding to the Request for Information are encouraged to submit their materials to [OCUEprocurement@nysed.gov](mailto:OCUEprocurement@nysed.gov) no later than January 28, 2020.

### QUESTION 1

Is there an incumbent vendor currently providing these types of services? If yes, could I possibly obtain the vendor name or the contract documents?

#### NYSED RESPONSE

There is no incumbent vendor currently providing these services.

### QUESTION 2

Is there a timeline that the department is hoping to follow in regards to a potential formal solicitation release if that is the result of this RFI?

#### NYSED RESPONSE

A specific timeline has not been established, but potential vendors should be aware that the RFP procurement process can take one year or longer. If an RFP is released in the future, it will be posted to the NYS Contract Reporter and advertised to a department generated mailing list.

### QUESTION 3

What action options does the NY State Department of Education anticipate it might deploy should an institution of higher education be in serious financial condition?

#### NYSED RESPONSE

NYSED cannot predict potential action that could be taken based on hypothetical scenarios.

**QUESTION 4**

Does the NY State Department of Education have interest in the financial stability of a for-profit online education partner of a not-for-profit (either state supported or independent) institution, if the not-for-

**QUESTION 7**

Page 2, Purpose and Objectives: Is this RFI looking for both the creation of the financial and



**QUESTION 15**

Page 4, RFI Contact Information and Timeline: Will there be a confirmation of receipt or feedback given to any of the respondents after the January 28, 2020 deadline? Is there a timeline for review of the responses to determine when/if an RFP will be issued?

**NYSED RESPONSE**

NYSED will confirm receipt of all responses to the RFI. NYSED does not plan to send feedback in response to this RFI, although, as noted on page 4 of the RFI, NYSED may, at its discretion, invite respondents to engage in further discussions following the receipt of RFI responses. A timeline for the review of RFI responses and development of the RFP has not been established. Vendors should keep in mind that the RFP procurement process can take one year or longer.

**QUESTION 16**

Page 8, Section 4.6: The RFI states, "Please provide estimated pricing and/or suggested pricing model for these services" Regarding pricing, does the NYSED have an allocated budget for the project? If yes, could NYSED please share the budget? How would NYSED prefer to handle case-related expenses (e.g. travel, primary research, etc.) incurred during the delivery of this project? (r0.93.5 (r)-5.

**QUESTION 18**

Does NYSED have a timeframe in mind for getting underway with various reviews? (e.g., March 2020, Summer 2020, etc.)

**NYSED RESPONSE**

A timeline for the development of the RFP has not be established. Vendors should keep in mind that the RFP procurement process can take one year or longer. Applications for authorization are accepted on a rolling basis, so a timeline for reviews will depend on the details and timing of submitted applications.

**QUESTION 19**

Does NYSED have a sense for the number of financial risk and operational risk analyses that could be conducted each year? If NYSED has conducted similar reviews in the past (either internally or with external support), can you disclose the number of each type of review conducted in recent years?

**NYSED RESPONSE**

The number of analyses that may be conducted in a given year will depend on factors that NYSED does not control, such as the volume of requests for authorization. The Office of College and University Evaluation has not, in recent years, conducted the type of financial and operational risk analyses of institutions of higher education being considered.

**QUESTION 20**

Is NYSED operating under the assumption that any analysis being performed by an external partner would have customized requirements and depth of analysis in light of the entity's corporate structure, complexity, location, existing reporting relationship, etc.?

**NYSED RESPONSE**

Yes.

**QUESTION 21**

To what extent does NYSED expect management from the organizations being analyzed to be active participants and collaborators in the review process?

**NYSED RESPONSE**

The degree of involvement by the organization would depend on the situation driving the need for the analysis and on the availability of publicly-available information and/or information from other oversight entities.

**QUESTION 22**

The RFI requests that select reviews evaluate the “transparency, independence, and regulatory and financial compliance of affiliated entities.” Does NYSED expect that such a review will consult external data sources for organizational and personnel-specific background checks, financial relationships, etc.?

**NYSED RESPONSE**

Yes, as appropriate and relevant to the analysis being conducted.

**QUESTION 23**

What is the current level of diligence done by NYSED on accreditation applicants and already accredited institutions? Can you provide examples?

**NYSED RESPONSE**

The current RFI relates to state authorization activities identified on the top of page 2 of the RFI, although the possibility exists that NYSED would use the information gathered to inform other responsibilities of the Office of College and University Evaluation, including those related to the New York State Board of Regents' role as an accrediting body recognized by the United States Department of Education.

The NYSED [accreditation website](#) provides information relating to the Board of Regents accreditation application process.

**QUESTION 24**

What current data, in addition to data provided by applicants, does NYSED have access to in order to help inform its decisions?

**NYSED RESPONSE**

In addition to information provided by applicants, NYSED has access to public information sources and the resources of the New York State Library.

**QUESTION 25**

What is the reporting process like for accredited institutions within the State i.e. what is reported, how often, etc.?

**NYSED RESPONSE**

The current RFI relates to state authorization activities identified on the top of page 2 of the RFI, although the possibility exists that NYSED would use the information gathered to inform other responsibilities of the Office of College and University Evaluation, including those related to the New York State Board of Regents' role as an accrediting body recognized by the United States Department of Education.

The NYSED Accreditation Handbook and the [Accreditation section](#) of the website have resources and information relating to standards and requirements for accreditation by the New York State Board of Regents and the Commissioner of Education.

**QUESTION 26**

How many accreditation applications does NYSED get a year? Is the process rolling or at a fixed point in time?

**NYSED RESPONSE**

The current RFI relates to state authorization activities identified on the top of page 2 of the RFI, although the possibility exists that NYSED would use the information gathered to inform other responsibilities of the Office of College and University Evaluation, including those related to the New York State Board of Regents' role as an accrediting body recognized by the United States Department of Education.

Applications for these state authorization activities are accepted on a rolling basis. NYSED does not place a limit on the number of applications it will accept for state authorization. Recent regulatory changes related to requirements and processes for authorization make it difficult to predict the number of applications that will be received.

**QUESTION 27**

Are there broader industry benchmarks that NYSED uses to aid it in decision making? Can you provide examples?

**NYSED RESPONSE**

NYSED starts with USDE and New York State standards, as well as Generally Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS) accounting standards, to guide decision-making. Beyond that, the high degree of variation in the kinds of entities and applications under review make the use of a single set of industry benchmarks impractical.