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SYNOPSIS
Requires institutions of higher education to provide to prospective students certain cost, loan, and debt information in financial aid shopping sheet.

CURRENT VERSION OF TEXT
Introduced Pending Technical Review by Legislative Counsel
AN ACT concerning certain college cost information and
supplementing chapter 3B of Title 18A of the New Jersey
Statutes.

BE IT ENACTED by the Senate and General Assembly of the State
of New Jersey:

1. a. A four-year public or independent institution of higher
education shall provide a financial aid “shopping sheet” to each
prospective student as part of the school’s financial aid offer to that
student. The purpose of the shopping sheet shall be to provide
prospective students and their families with clear information on the
costs, loan options, and estimated debt that the student will incur in
attending the institution, and to allow students and families to easily
evaluate and compare financial aid packages from different schools.
b. The Secretary of Higher Education shall prescribe a model
format for the shopping sheet required by subsection a. of this
section. Each four-year public or independent institution of higher
education shall utilize the model format. The model shopping sheet
prescribed by the secretary shall include, at a minimum, the
following information:
   (1) the total cost for one year of attendance at the institution,
      including tuition, student fees, room and board, books and
      materials, and transportation and other personal expenses;
   (2) the total amount per year of grants and scholarships awarded
      to that student, including any grants and scholarships from the
      institution, federal grants, State grants, or other scholarships;
   (3) the total net amount the student will owe for one year of
      attendance at the institution, after taking into account any grants
      and scholarships;
   (4) a comparison of the total net amount the student will owe for
      one year of attendance at the institution to: the average cost per year
      at that institution; the average cost per year at four-year public
      institutions of higher education; and the average cost per year at
      four-year independent institutions of higher education;
   (5) the total amount per year of student loans and work study
      funds that the student is eligible for, broken down by federal student
      loans, federal work study funds, and private student loans;
   (6) the total estimated amount the student will owe in student
      loan debt after graduating from the institution, broken down by
      federal loan debt and private loan debt;
   (7) the total estimated monthly payment the student will owe on
      his student loans after graduation, broken down by monthly
      payment owed for federal loans and monthly payment owed for
      private loans;
   (8) the percentage of students from the institution who defaulted
      on their student loans within the first three years of repayment;
(9) the percentage of students at the institution who graduate within six years, as compared to the average rate at other four-year public or independent institutions of higher education; and
(10) the percentage of non-graduating students who re-enroll at the institution the following year, as compared to the average rate at other four-year public or independent institutions of higher education.

c. The Secretary of Higher Education, in developing the model format for the shopping sheet, shall consider any sample or model formats for a financial aid shopping sheet developed by the United States Department of Education or the Consumer Financial Protection Bureau.

2. This act shall take effect on the first day of the fourth month next following the date of enactment.

STATEMENT

This bill would require four-year public and independent institutions of higher education to provide a financial aid “shopping sheet” to each prospective student as part of the school’s financial aid offer to that student. The bill directs the Secretary of Higher Education to prescribe a model format for the shopping sheet, which must be utilized by the institutions. The model shopping sheet prescribed by the secretary must include certain information concerning the costs and expected debt that the particular student can expect to incur in attending that school, such as total cost of attendance, the amount of scholarship and grant money awarded to the student, the loan options available to the student, and the estimated amount of the student’s debt and monthly loan payments after graduation. The shopping sheet also must include certain information concerning the school’s graduation rate, student retention rate, and student loan default rate.

The purpose of the bill is to provide students and their families with clear information on the costs, loan options, and estimated debt that the student will incur in attending the institution, and to allow students and families to easily evaluate and compare financial aid packages from different schools. President Obama has proposed the use of a financial aid shopping sheet to help students and families better understand and evaluate college costs and financial aid packages. The United States Department of Education and the Consumer Financial Protection Bureau are working to develop a model format for post-secondary schools to use in conveying this information to prospective students. Under this bill, the Secretary of Higher Education, in creating the model shopping sheet, is
directed to consider any sample or model formats for a financial aid shopping sheet developed by these federal agencies.