

ASSEMBLY, No. 3847

STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED JUNE 2, 2016

Sponsored by:

Assemblywoman PAMELA R. LAMPITT

District 6 (Burlington and Camden)

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District 33 (Hudson)

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District 38 (Bergen and Passaic)

Co-Sponsored by:

Assemblyman Gusciora and Assemblywoman Mosquera

SYNOPSIS

Requires institutions of higher education and proprietary degree-granting institutions to improve transparency of tuition and fees.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/9/2017)

1 AN ACT concerning tuition and fees at institutions of higher
2 education and proprietary degree-granting institutions and
3 supplementing chapter 3B of Title 18A of the New Jersey
4 Statutes.

5
6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:

8
9 1. The governing board of a public institution of higher
10 education or a proprietary institution licensed to offer academic
11 degrees shall:

12 a. develop written policies and procedures that establish a
13 system of internal controls over the development and management
14 of mandatory student fees and ensure that these controls are applied
15 consistently. The written policies shall define who is responsible
16 for the assessment or adjustment of the mandatory student fees, and
17 shall include guidelines for monitoring whether mandatory student
18 fee revenue is used efficiently and for the intended purpose;

19 b. assess each of the institution's mandatory student fees
20 individually and document the criteria and justification for any
21 adjustments made to the fees. For each mandatory student fee the
22 documentation shall include, at a minimum, the purpose of the
23 student fee, the criteria used to determine its rate, the projected
24 mandatory fee revenue, and the appropriate use of the revenue;

25 c. establish separate funds in the institution's budget for each
26 individual mandatory student fee to promote transparency of fee
27 revenue and expenditures;

28 d. implement accounting procedures that establish a process to
29 accurately identify transactions related to mandatory student fee
30 activity and the expenditures related to each of the mandatory
31 student fees; and

32 e. include in the institution's description of its mandatory
33 student fees, all uses of the fee monies including salaries.

34
35 2. a. A public or independent institution of higher education or
36 a proprietary institution licensed to offer academic degrees shall
37 provide a financial aid "shopping sheet" to each prospective student
38 as part of the institution's financial aid offer to that student. The
39 purpose of the shopping sheet shall be to provide prospective
40 students and their families with clear information on the costs, loan
41 options, and estimated debt that the student will incur in attending
42 the institution, and to allow students and families to easily evaluate
43 and compare financial aid packages from different institutions.

44 b. The Secretary of Higher Education shall prescribe a model
45 format for the shopping sheet required by subsection a. of this
46 section. Each public or independent institution of higher education
47 or proprietary institution licensed to offer academic degrees shall
48 utilize the model format. The model shopping sheet prescribed by

1 the secretary shall include, at a minimum, the following
2 information:

3 (1) the total cost for one year of attendance at the institution,
4 including tuition, student fees, room and board, books and
5 materials, and transportation and other educational costs;

6 (2) the total amount per year of grants and scholarships awarded
7 to that student, including any grants and scholarships from the
8 institution, federal grants, State grants, or other scholarships;

9 (3) the total net amount the student will owe for one year of
10 attendance at the institution, after taking into account any grants
11 and scholarships;

12 (4) the total amount per year of student loans and work study
13 funds that the student is eligible for, broken down by federal
14 Perkins loans, federal Direct Subsidized loans, federal Direct
15 Unsubsidized loans, and federal, State, or institutional work study
16 funds;

17 (5) the median borrowing in federal loans for undergraduate
18 study at the institution and the average monthly payment over 10
19 years for this amount;

20 (6) the percentage of students from the institution who defaulted
21 on their student loans; and

22 (7) in the case of a county college or a proprietary institution
23 licensed to offer associate degrees, the percentage of students at the
24 college or institution who graduate within three years as compared
25 to the average rate at other county colleges or proprietary
26 institutions as applicable, and in the case of a four-year institution
27 of higher education or a proprietary institution licensed to offer
28 baccalaureate degrees, the percentage of students at the institution
29 who graduate within six years as compared to the average rate at
30 other four-year public or independent institutions of higher
31 education or other proprietary institutions as applicable.

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

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38 3. This act shall take effect in the first full academic year
39 following the date of enactment.

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STATEMENT

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44 This bill implements under section 1 the recommendations of the
45 April 27, 2016 report of the State Comptroller entitled, Controls
46 Over Collection, Allocation And Use Of Student Fees At Selected
47 New Jersey Colleges and Universities. The report looked at the
48 issue of mandatory student fees at three of the State colleges. This

1 bill would apply the State Comptroller's recommendations to all
2 public institutions of higher education and to proprietary
3 institutions licensed to offer academic degrees.

4 Under the bill, the governing board of a public institution of
5 higher education or a proprietary institution licensed to offer
6 academic degrees would be required to do the following:

- 7 • Develop written policies and procedures that establish a
8 system of internal controls over the development and
9 management of mandatory student fees and ensure that
10 these controls are applied consistently;
- 11 • Assess each of the institution's mandatory student fees
12 individually and document the criteria and justification
13 for any adjustments made to the fees;
- 14 • Establish separate funds in the institution's budget for
15 each individual mandatory student fee to promote
16 transparency of fee revenue and expenditures;
- 17 • Implement accounting procedures that establish a process
18 to accurately identify transactions related to mandatory
19 student fee activity and the expenditures related to each of
20 the mandatory student fees; and
- 21 • Include in the institution's description of its mandatory
22 student fees, all uses of the fee monies including salaries.

23 This bill also requires public and independent institutions of
24 higher education and proprietary institutions licensed to offer
25 academic degrees to provide a financial aid "shopping sheet" to
26 each prospective student as part of the institution's financial aid
27 offer to that student. The bill directs the Secretary of Higher
28 Education to prescribe a model format for the shopping sheet,
29 which must be utilized by the institutions. The model shopping
30 sheet prescribed by the secretary must include certain information
31 concerning the costs and expected debt that the particular student
32 can expect to incur in attending that institution. The shopping sheet
33 also must include certain information concerning the institution's
34 graduation rate, student retention rate, and student loan default rate.

35 The United States Department of Education and the Consumer
36 Financial Protection Bureau have developed a model shopping sheet
37 format for post-secondary schools to use in conveying this
38 information to prospective students. Under this bill, the Secretary
39 of Higher Education, in creating the model shopping sheet, is
40 directed to consider any sample or model formats for a financial aid
41 shopping sheet developed by these federal agencies.