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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)
AN ACT concerning tuition and fees at institutions of higher education and proprietary degree-granting institutions 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. The governing board of a public institution of higher education or a proprietary institution licensed to offer academic degrees shall:
   a. develop written policies and procedures that establish a system of internal controls over the development and management of mandatory student fees and ensure that these controls are applied consistently. The written policies shall define who is responsible for the assessment or adjustment of the mandatory student fees, and shall include guidelines for monitoring whether mandatory student fee revenue is used efficiently and for the intended purpose;
   b. assess each of the institution’s mandatory student fees individually and document the criteria and justification for any adjustments made to the fees. For each mandatory student fee the documentation shall include, at a minimum, the purpose of the student fee, the criteria used to determine its rate, the projected mandatory fee revenue, and the appropriate use of the revenue;
   c. establish separate funds in the institution’s budget for each individual mandatory student fee to promote transparency of fee revenue and expenditures;
   d. implement accounting procedures that establish a process to accurately identify transactions related to mandatory student fee activity and the expenditures related to each of the mandatory student fees; and
   e. include in the institution’s description of its mandatory student fees, all uses of the fee monies including salaries.

2. a. A public or independent institution of higher education or a proprietary institution licensed to offer academic degrees shall provide a financial aid “shopping sheet” to each prospective student as part of the institution’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 institutions.
   b. The Secretary of Higher Education shall prescribe a model format for the shopping sheet required by subsection a. of this section. Each public or independent institution of higher education or proprietary institution licensed to offer academic degrees 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 educational costs;

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. the total amount per year of student loans and work study funds that the student is eligible for, broken down by federal Perkins loans, federal Direct Subsidized loans, federal Direct Unsubsidized loans, and federal, State, or institutional work study funds;

5. the median borrowing in federal loans for undergraduate study at the institution and the average monthly payment over 10 years for this amount;

6. the percentage of students from the institution who defaulted on their student loans; and

7. in the case of a county college or a proprietary institution licensed to offer associate degrees, the percentage of students at the college or institution who graduate within three years as compared to the average rate at other county colleges or proprietary institutions as applicable, and in the case of a four-year institution of higher education or a proprietary institution licensed to offer baccalaureate degrees, 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 or other proprietary institutions as applicable.

c. The secretary, 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.

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

STATEMENT

This bill implements under section 1 the recommendations of the April 27, 2016 report of the State Comptroller entitled, Controls Over Collection, Allocation And Use Of Student Fees At Selected New Jersey Colleges and Universities. The report looked at the issue of mandatory student fees at three of the State colleges. This
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bill would apply the State Comptroller’s recommendations to all public institutions of higher education and to proprietary institutions licensed to offer academic degrees.

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

- Develop written policies and procedures that establish a system of internal controls over the development and management of mandatory student fees and ensure that these controls are applied consistently;
- Assess each of the institution’s mandatory student fees individually and document the criteria and justification for any adjustments made to the fees;
- Establish separate funds in the institution’s budget for each individual mandatory student fee to promote transparency of fee revenue and expenditures;
- Implement accounting procedures that establish a process to accurately identify transactions related to mandatory student fee activity and the expenditures related to each of the mandatory student fees; and
- Include in the institution’s description of its mandatory student fees, all uses of the fee monies including salaries.

This bill also requires public and independent institutions of higher education and proprietary institutions licensed to offer academic degrees to provide a financial aid “shopping sheet” to each prospective student as part of the institution’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 institution. The shopping sheet also must include certain information concerning the institution’s graduation rate, student retention rate, and student loan default rate.

The United States Department of Education and the Consumer Financial Protection Bureau have developed a model shopping sheet 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.