

ASSEMBLY, No. 3625

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED MARCH 12, 2018

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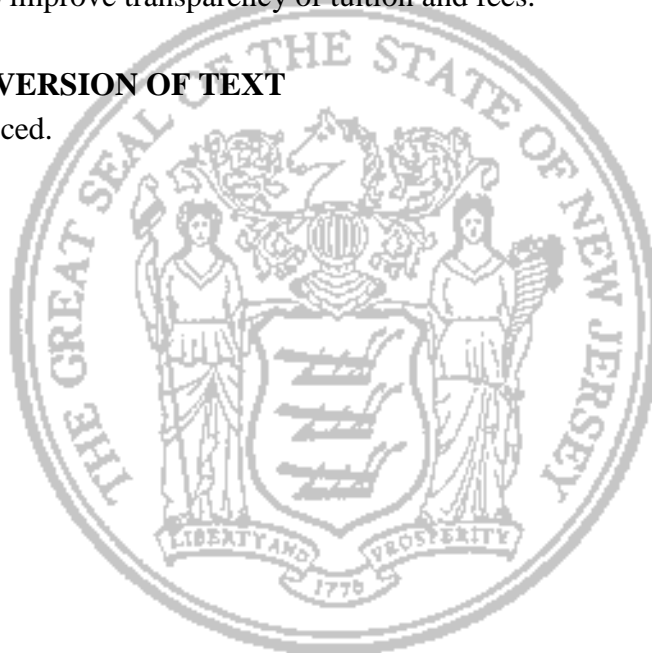
McKnight, Timberlake, Quijano and Downey

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: 6/21/2019)

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 either the model format developed by the secretary or the

1 most current financial aid shopping sheet developed by the United
2 States Department of Education or the Consumer Financial
3 Protection Bureau. The model shopping sheet prescribed by the
4 secretary shall include, at a minimum, the following information:

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

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

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

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

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

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

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

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

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

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STATEMENT

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46 This bill implements under section 1 the recommendations of the
47 April 27, 2016 report of the State Comptroller entitled, Controls
48 Over Collection, Allocation And Use Of Student Fees At Selected

1 New Jersey Colleges and Universities. The report looked at the
2 issue of mandatory student fees at three of the State colleges. This
3 bill would apply the State Comptroller's recommendations to all
4 public institutions of higher education and to proprietary
5 institutions licensed to offer academic degrees.

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

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

25 This bill also requires public and independent institutions of
26 higher education and proprietary institutions licensed to offer
27 academic degrees to provide a financial aid "shopping sheet" to
28 each prospective student as part of the institution's financial aid
29 offer to that student. The bill directs the Secretary of Higher
30 Education to prescribe a model format for the shopping sheet. The
31 model shopping sheet prescribed by the secretary must include
32 certain information concerning the costs and expected debt that the
33 particular student can expect to incur in attending that institution.
34 The shopping sheet also must include certain information
35 concerning the institution's graduation rate, student retention rate,
36 and student loan default rate. Institutions must use the model format
37 or the most current financial aid shopping sheet developed by the
38 United States Department of Education or the Consumer Financial
39 Protection Bureau.

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