

ASSEMBLY, No. 3178

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 24, 2020

Sponsored by:

Assemblyman JOHN J. BURZICHELLI

District 3 (Cumberland, Gloucester and Salem)

SYNOPSIS

Applies provisions of "New Jersey College Student and Parent Consumer Information Act" to proprietary schools and limits eligibility for direct State aid and State student assistance programs under certain circumstances.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning proprietary schools, amending P.L.2009, c.197,
2 and supplementing chapter 3B of Title 18A of the New Jersey
3 Statutes.

4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

7
8 1. Section 2 of P.L.2009, c.197 (C.18A:3B-44) is amended to
9 read as follows:

10 2. a. A four-year public institution of higher education and a
11 proprietary school which has been authorized to offer licensed
12 degree programs shall provide for public inspection on its website
13 comprehensive information on the cost of attendance, the
14 graduation rates of admitted students, and the faculty of the
15 institution. The purpose of the information shall be to maximize the
16 awareness of students and their families of the costs associated with
17 enrollment in the institution or school, the institution's or school's
18 success in ensuring the graduation of its students, and the
19 composition of the teaching faculty that a student will encounter in
20 his coursework. The institution or school shall post, and annually
21 update, a student consumer information report on its website that
22 includes, if applicable:

- 23 (1) overall four-year and six-year graduation rates;
24 (2) four-year and six-year graduation rates by demographic
25 group;
26 (3) four-year and six-year graduation rates by major;
27 (4) four-year and six-year graduation rates for student-athletes;
28 (5) the student transfer rate;
29 (6) an overview of the institutions to which former students of
30 that **【college or university】** institution or school have transferred
31 prior to the completion of a degree;
32 (7) the cost for the current academic year of attending the
33 institution or school including tuition, student fees, room and board,
34 and books and materials;
35 (8) a description of the types of financial assistance offered
36 directly by the institution or school to both student-athletes and to
37 students who do not participate in athletic programs at the
38 institution or school ;
39 (9) the percent of student-athletes who receive financial
40 assistance directly from the institution or school and the average
41 value of the assistance and the percent of students who do not
42 participate in athletic programs at the institution or school who
43 receive financial assistance directly from the institution or school
44 and the average value of the assistance;

EXPLANATION – Matter enclosed in bold-faced brackets **【thus】** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

- 1 (10) the total projected cost for an incoming freshman to live on
2 campus and complete a degree in four years and the total projected
3 cost for an incoming freshman to commute to school and complete a
4 degree in four years;
- 5 (11) the total projected cost for an incoming freshman to live on
6 campus and complete a degree in six years and the total projected
7 cost for an incoming freshman to commute to school and complete a
8 degree in six years;
- 9 (12) average student loan indebtedness of four-year graduates
10 for both students who live on campus and students who commute;
- 11 (13) average student loan indebtedness of six-year graduates for
12 both students who live on campus and students who commute;
- 13 (14) average student loan indebtedness of a student who
14 withdraws from the institution or school prior to the completion of a
15 degree program for both students who live on campus and students
16 who commute;
- 17 (15) an overview of the institution's or school's faculty,
18 including the percentage of faculty employed as a tenured
19 professor, the percentage of faculty employed as a full-time non-
20 tenured professor, and the percentage of faculty employed as an
21 adjunct or visiting professor;
- 22 (16) the percentage of courses taught by each of the different
23 categories of faculty; **and**
- 24 (17) an indicator of each academic department's capacity to
25 serve the students majoring within that department's programs, as
26 determined by the **【Commission on】** Secretary of Higher
27 Education; and
- 28 (18) the student loan default rate of students with loan
29 indebtedness five years after their departure from the institution or
30 school.
- 31 The institution or school shall provide with all paper applications
32 for admission to the institution or school a hard copy of the
33 information prepared pursuant to this section.
- 34 b. A four-year public institution of higher education and a
35 proprietary school shall conform to the guidelines, criteria, and
36 format prescribed by the **【Commission on】** Secretary of Higher
37 Education in reporting the information required pursuant to this
38 section.
- 39 c. A four-year public institution of higher education and a
40 proprietary school shall submit its student consumer information
41 report to the **【Commission on】** Secretary of Higher Education for
42 inclusion in a comparative profile of the student consumer
43 information reports of all four-year public institutions of higher
44 education and proprietary schools.
- 45 d. A four-year public institution of higher education and a
46 proprietary school shall ensure that the page of its Internet site
47 which includes its student consumer information report contains a

1 link to the page of the **【Commission on】 Secretary of** Higher
2 Education's Internet site that includes the comparative profile
3 required pursuant to subsection b. of section 3 of this act.

4 e. A four-year public institution of higher education and a
5 proprietary school shall ensure that the Internet site for submitting
6 an online application to the institution or school contains a link to
7 the institution's or school's student consumer information report.

8 f. A four-year public institution of higher education and a
9 proprietary school shall require the parent or guardian of a student
10 applying for admission into the institution or school, or the student
11 if he is an independent adult, to sign and submit a statement
12 acknowledging that he has reviewed the institution's or school's
13 student consumer information report.

14 (cf: P.L.2009, c.197, s.2)

15

16 2. Section 3 of P.L.2009, c.197 (C.18A:3B-45) is amended to
17 read as follows:

18 3. a. The **【Commission on】 Secretary of** Higher Education
19 shall issue guidelines and criteria for collecting and calculating the
20 information required pursuant to section 2 of this act and shall
21 prescribe a uniform reporting method for posting the information.

22 b. The **【Commission on】 Secretary of** Higher Education shall
23 annually compile the student consumer information reports
24 submitted pursuant to subsection c. of section 2 of this act into a
25 comparative profile of all four-year public institutions of higher
26 education and proprietary schools authorized to offer licensed
27 degree programs. The **【commission】 secretary** shall present the
28 information on its website in a manner that allows college students
29 and their families to easily compare student consumer information
30 across institutions and schools.

31 (cf: P.L. 2009, c.197, s.3)

32

33 3. (New section) a. In the event that a proprietary school
34 which has been authorized to offer licensed degree programs does
35 not meet a minimum graduation rate designated by the Secretary of
36 Higher Education, the school shall not be eligible to receive direct
37 State aid in the following academic year. The secretary shall
38 designate a minimum graduation rate, which shall not be below 30
39 percent.

40 b. A student enrolled in a proprietary school authorized to
41 offer licensed degree programs shall not be eligible to receive any
42 form of student assistance from the State, including grants and
43 scholarships, unless the student loan default rate of former students
44 of the school is below a level established by the secretary. The
45 secretary shall designate a maximum student loan default rate for a
46 student cohort five years after the cohort's departure from school,
47 which shall not exceed 15 percent.

1 c. The Secretary of Higher Education shall revoke the license
2 to award degrees from a proprietary school that fails to meet the
3 minimum graduation rate or maximum student loan default rate
4 established pursuant to subsections a. and b. of this section in six or
5 more years during a ten-year period.

6 d. The Secretary of Higher Education shall define “graduation
7 rate” and “student loan default rate” for the purposes of this section.
8

9 4. This act shall take effect immediately.
10
11

12 STATEMENT

13

14 The bill includes proprietary schools authorized to grant
15 academic degrees within the “New Jersey College Student and
16 Parent Consumer Information Act,” P.L.2009, c.197 (C.18A:3B-43
17 et seq.). Specifically, the bill provides that each such proprietary
18 school will have to annually disclose on its website various
19 measures of student graduation rates, school costs, and student loan
20 indebtedness, among other indicators of school quality. The school
21 will also be required to report the student loan default rate of
22 students with loan indebtedness five years after their departure from
23 the school. Under the bill, the Secretary of Higher Education must
24 include the student consumer information reports submitted by
25 proprietary schools within a comparative profile that the secretary
26 already prepares of four-year public institutions of higher
27 education.

28 This bill prohibits proprietary schools from receiving direct State
29 aid if, in the preceding academic year, the school did not meet a
30 minimum graduation rate designated by the Secretary of Higher
31 Education. The secretary will designate a minimum graduation rate
32 of at least 30 percent. The bill further provides that a student
33 enrolled in a proprietary school will not be eligible to receive any
34 form of student assistance from the State unless the student loan
35 default rate of former students of the school is below a level
36 designated by the secretary. The secretary must designate a student
37 loan default rate of no more than 15 percent five years after a
38 student cohort’s departure from school.

39 Finally, the secretary is directed to revoke a proprietary school’s
40 license to award degrees if the school fails to meet the minimum
41 graduation rate or maximum student loan default rate established
42 pursuant to the bill in six or more years during a ten-year period.