

SENATE, No. 1072

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED JANUARY 30, 2020

Sponsored by:

Senator JOSEPH P. CRYAN

District 20 (Union)

SYNOPSIS

Applies provisions of “New Jersey College Student and Parent Consumer Information Act” to proprietary schools and independent institutions of higher education and limits eligibility for State student assistance programs.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning proprietary schools and independent institutions
2 of higher education, amending P.L.2009, c.197, 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. Section 2 of P.L.2009, c.197 (C.18A:3B-44) is amended to
10 read as follows:

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

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

30 The institution or school shall provide with all paper applications
31 for admission to the institution or school a hard copy of the
32 information prepared pursuant to this section.

33 b. A four-year **【public】** institution of higher education and a
34 proprietary school shall conform to the guidelines, criteria, and
35 format prescribed by the **【Commission on】** Secretary of Higher
36 Education in reporting the information required pursuant to this
37 section.

38 c. A four-year **【public】** institution of higher education and a
39 proprietary school shall submit its student consumer information
40 report to the **【Commission on】** Secretary of Higher Education for
41 inclusion in a comparative profile of the student consumer
42 information reports of all four-year **【public】** institutions of higher
43 education and proprietary schools.

44 d. A four-year **【public】** institution of higher education and a
45 proprietary school shall ensure that the page of its Internet site
46 which includes its student consumer information report contains a
47 link to the page of the **【Commission on】** Secretary of Higher

1 Education's Internet site that includes the comparative profile
2 required pursuant to subsection b. of section 3 of this act.

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

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

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

14
15 2. Section 3 of P.L.2009, c.197 (C.18A:3B-45) is amended to
16 read as follows:

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

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

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

31
32 3. (New section) a. A student enrolled in a proprietary school
33 authorized to offer licensed degree programs shall not be eligible to
34 receive any form of student assistance from the State, including
35 grants and scholarships, unless:

36 (1) the school meets a minimum graduation rate designated by
37 the Secretary of Higher Education in the preceding academic year.
38 The secretary shall designate a minimum graduation rate, which
39 shall not be below 30 percent;

40 (2) the cohort default rate of former students of the school is
41 below a level established by the secretary. The secretary shall
42 designate a maximum cohort default rate which shall not exceed 15
43 percent; and

44 (3) the average annual loan payment of a recent graduate is less
45 than 20 percent of the graduate's discretionary income, or less than
46 eight percent of the graduate's total income.

1 (3) the average annual loan payment of a recent graduate is less
2 than 20 percent of the graduate's discretionary income, or eight
3 percent of the graduate's gross earnings.

4 The secretary is directed to define "graduation rate" and
5 "discretionary income" for the bill's purposes and the cohort default
6 rate is defined under the bill as it is defined by the United State
7 Department of Education.

8 Finally, the secretary is directed to revoke a proprietary school's
9 license to award degrees if the school fails to meet the standards
10 established pursuant to the bill in six or more years during a ten-
11 year period.