

§§6-13 -  
C.18A:3B-90 to  
18A:3B-97  
§§14-20 -  
C.34:15C-10.3 to  
34:15C-10.9

P.L. 2021, CHAPTER 27, *approved March 1, 2021*  
Senate Committee Substitute (*First Reprint*) for  
Senate, Nos. 1271, 2588, and 2660

1 AN ACT concerning postsecondary education, amending various  
2 parts of the statutory law, and supplementing Title 18A of the  
3 New Jersey Statutes and P.L.1989, c.293 (C.34:15C-1 et seq.).  
4

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

8 1. Section 8 of P.L.1994, c.48 (C.18A:3B-8) is amended to  
9 read as follows:

10 8. The council shall have the responsibility, consistent with  
11 State and federal law, to:

12 a. provide public information and research on higher education  
13 issues;

14 b. review and make recommendations to the **[commission]**  
15 Secretary of Higher Education concerning proposals for new  
16 programs that exceed the programmatic mission of an institution or  
17 that change the programmatic mission of an institution;

18 c. review **[and comment on]** proposals for new programs that  
19 **[demand significant added resources or raise significant issues of**  
20 **duplication but]** do not exceed the programmatic mission of the  
21 institution or require a change in the programmatic mission,  
22 according to standards established by the secretary through  
23 regulations promulgated pursuant to the “Administrative Procedure  
24 Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), for the following:

25 (1) sufficient academic quality;

26 (2) sufficient evidence of labor market demand for the program;

27 (3) duplication with comparable programs of study in the State;  
28 and

29 (4) whether the proposed new program will require significant  
30 additional State resources.

31 If the council determines according to the review standards set by  
32 the secretary that a proposed new program **[is]** may be of  
33 insufficient academic quality, may lack sufficient evidence of labor  
34 market demand, may be duplicative of comparable programs of  
35 study, or may be unduly expensive **[or unduly duplicative]** to the

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

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Assembly AAP committee amendments adopted November 12, 2020.

1 State, the council shall refer that proposal to the **【commission】**  
2 secretary for review**【**; however, unless the commission disapproves  
3 of that program within 60 days of its referral, the program shall be  
4 deemed approved**】** pursuant to subsection f. of section 14 of  
5 P.L.1994, c.48 (C.18A:3B-14);

6 d. encourage the formation of regional or other alliances among  
7 institutions including interinstitutional transfers, program  
8 articulation, cooperative programs and shared resources and  
9 develop criteria for "full faith and credit" transfer agreements  
10 between county colleges and other institutions of higher education.  
11 The council shall also keep institutions apprised of the  
12 discontinuance of programs at other institutions and each president  
13 shall notify the council of any such action;

14 e. advise and assist the **【commission】** secretary in developing  
15 and updating a plan for higher education in the State including, but  
16 not limited to, the establishment of new institutions, closure of  
17 existing institutions and consolidation of institutions;

18 f. provide policy recommendations on Statewide higher  
19 education issues;

20 g. recommend to the Governor, Legislature and **【commission】**  
21 secretary on policy and overall levels of funding for student aid  
22 programs necessary to ensure accessibility to higher education;

23 h. transmit to the Governor, Legislature and **【commission】**  
24 secretary a general budget policy statement regarding overall State  
25 funding levels;

26 i. upon referral from the **【commission】** secretary pursuant to  
27 this act provide recommendations concerning institutional licensure  
28 and university status;

29 j. appoint subcommittees consisting of the presidents of the  
30 institutions of the various higher education sectors to decide  
31 matters, within the authority of the council. The presidents of the  
32 independent institutions shall develop a unified request for State  
33 support under chapter 72B of Title 18A of the New Jersey Statutes.  
34 The presidents of the county college sector shall develop a unified  
35 request for State support under chapter 64A of Title 18A of the New  
36 Jersey Statutes; and

37 k. consult with the Higher Education Student Assistance  
38 Authority concerning student assistance matters.

39 (cf: P.L.1999, c.46, s.29)

40

41 2. Section 14 of P.L.1994, c.48 (C.18A:3B-14) is amended to  
42 read as follows:

43 14. The Secretary of Higher Education shall be responsible for:

44 a. Statewide planning for higher education including research  
45 on higher education issues and the development of a comprehensive  
46 master plan, including, but not limited to, the establishment of new  
47 institutions, closure of existing institutions, and consolidation of

1 institutions, which plan shall be long-range in nature. Within 180  
2 days of the effective date of P.L.2015, c.91 and, at a minimum,  
3 every seven years thereafter, the secretary shall adopt a new  
4 comprehensive master plan. The council may request the secretary  
5 to conduct a study of a particular issue. The secretary may require  
6 from institutions of higher education such reports or other  
7 information as may be necessary to enable the secretary to perform  
8 his duties;

9 b. advocacy on behalf of higher education including informing  
10 the public of the needs and accomplishments of higher education in  
11 New Jersey;

12 c. making recommendations to the Governor and Legislature  
13 on higher education initiatives and incentive programs of Statewide  
14 significance;

15 d. final administrative decisions over institutional licensure and  
16 university status giving due consideration to the accreditation status  
17 of the institution. The secretary shall furnish the Presidents' Council  
18 with any pertinent information compiled on behalf of the subject  
19 institution and the council shall then make recommendations to the  
20 secretary concerning the licensure of the institution or university  
21 status within sixty days of receipt of the information;

22 e. adopting a code of ethics applicable to institutions of higher  
23 education;

24 f. final administrative decisions over new academic programs  
25 that go beyond the programmatic mission of the institution and final  
26 administrative decisions over a change in the programmatic mission  
27 of an institution. In addition, within 60 days of referral of a  
28 proposed new program **【determined to be unduly expensive or**  
29 **duplicative】** by the council, the secretary may deny approval of  
30 programs proposed by **1【public】<sup>1</sup>** institutions of higher education  
31 which do not exceed the programmatic mission of the institution,  
32 but which **【are】** may be of insufficient academic quality, may lack  
33 sufficient evidence of labor market demand, may be duplicative of  
34 comparable programs of study, or may be unduly expensive to the  
35 State as determined by the New Jersey Presidents' Council **【to be**  
36 unduly duplicative or expensive】 according to the review standards  
37 set by the secretary **1【,** and review and comment on proposed new  
38 programs submitted by independent institutions of higher education,  
39 within 60 days of referral by the council】<sup>1</sup>;

40 g. reviewing requests for State support from the institutions in  
41 relation to the mission of the institution and Statewide goals and  
42 proposing a coordinated budget policy statement to the Governor  
43 and Legislature;

44 h. communicating with the State Board of Education and  
45 Commissioner of Education to advance public education at all  
46 levels including articulation between the public schools and higher  
47 education community;

- 1       i. applying for and accepting grants from the federal  
2 government, or any agency thereof, or grants, gifts or other  
3 contributions from any foundation, corporation, association or  
4 individual, and complying with the terms, conditions and  
5 limitations thereof, for the purpose of advancing higher education.  
6 Any money so received may be expended by the secretary upon  
7 warrant of the director of the Office of Management and Budget in  
8 the Department of the Treasury on vouchers certified by the  
9 secretary;
- 10       j. acting as the lead agent of communication with the federal  
11 government concerning higher education issues, except that the  
12 Higher Education Student Assistance Authority shall act, in  
13 cooperation with the secretary, as the lead agency on issues of  
14 student assistance;
- 15       k. exercising all of the powers and duties previously exercised  
16 by the Board of Higher Education, the Department of Higher  
17 Education, and the Chancellor of Higher Education, under the "New  
18 Jersey Higher Education Building Construction Bond Act of 1971,"  
19 P.L.1971, c.164, the "New Jersey Medical Education Facilities  
20 Bond Act of 1977," P.L.1977, c.235, the "Jobs, Science and  
21 Technology Bond Act of 1984," P.L.1984, c.99, the "Jobs,  
22 Education and Competitiveness Bond Act of 1988," P.L.1988, c.78,  
23 the "Higher Education Equipment Leasing Fund Act," P.L.1993,  
24 c.136, and the "Higher Education Facilities Trust Fund Act,"  
25 P.L.1993, c.375;
- 26       l. exercising any other power or responsibility necessary in  
27 order to carry out the provisions of this act;
- 28       m. consulting with the Higher Education Student Assistance  
29 Authority on student assistance matters;
- 30       n. advising and making recommendations for consideration to  
31 the Governor and the governing board of a public research  
32 university or a State college for members of that governing board  
33 appointed by the Governor; and
- 34       o. examining and recommending to institutions of higher  
35 education opportunities for joint purchasing and other joint  
36 arrangements that would be advantageous to the institutions.  
37 (cf: P.L.2015, c.91, s.1)  
38
- 39       3. Section 15 of P.L.1994, c.48 (C.18A:3B-15) is amended to  
40 read as follows:
- 41       15. The **【commission】** secretary shall adopt rules and  
42 regulations, pursuant to the "Administrative Procedure Act,"  
43 P.L.1968, c.410 (C.52:14B-1 et seq.), necessary to carry out the  
44 provisions of this act. **【Regulations adopted by the State Board of**  
45 **Higher Education pertaining to:**
- 46       a. licensing of institutions and university status;

1       b. outside employment for employees of public institutions and  
2 State agencies and Code of Ethics;  
3       c. residency requirements for tuition purposes;  
4       d. personnel policies which affect the terms and conditions of  
5 employment including classification and compensation plans  
6 adopted pursuant thereto;  
7       e. tenure and multi-year contracts;  
8       f. rights and procedures in a reduction in force;  
9       g. student trustee policies; and  
10      h. regulations concerning early retirement programs and length  
11 of the academic year shall continue with full force and effect under  
12 the authority of the commission for a period of one year from the  
13 effective date of this act or until amended, continued or repealed by  
14 the commission pursuant to law.】

15 (cf: P.L.1994, c.48, s.15)

16  
17      4. Section 20 of P.L.2009, c.308 (C.18A:3B-65) is amended to  
18 read as follows:

19      20. a. Subject to the approval of the Secretary of Higher  
20 Education, the governing board of a public research university or a  
21 State college may establish a branch campus. The governing board  
22 shall submit the plan for the branch campus to the secretary for  
23 review and approval. The plan shall be developed and reviewed  
24 according to standards established by the secretary through  
25 regulations promulgated pursuant to the “Administrative Procedure  
26 Act,” P.L.1968, c.410 (C.52:14B-1 et seq.).

27      b. When the governing board 【of a public research university or  
28 a State college】, after study and investigation, determines that it is  
29 advisable for the institution to establish a branch campus or  
30 additional location out-of-State or out-of-country that will serve at  
31 least 【500】 100 students of the institution, the board shall 【submit】  
32 include in the plan for the branch campus or additional location  
33 submitted to the 【commission】 secretary 【for its review and

34 recommendations. The plan shall include】:  
35      (1) a description of the higher educational needs of the country  
36 or region in which the branch campus or additional location shall be  
37 located;

38      (2) a description of the proposed branch campus or additional  
39 location and its proposed programs and curriculum; 【and】

40      (3) an estimate of the cost of establishing and maintaining the  
41 branch campus or additional location including the cost of any  
42 planned acquisition or construction of facilities;

43      (4) a commitment that the branch campus or additional location  
44 will comply with the provisions of P.L.1963, c.73 (C.47:1A-1 et  
45 seq.), commonly known as the open public records act; and

46      (5) any other information or data deemed necessary by the  
47 【commission】 secretary.

1       **[b.] c.** In developing **[its]** a response to the plan, the  
2 **[commission]** secretary shall consider whether there is a need for  
3 the institution to acquire a branch campus or additional location and  
4 whether the institution has the financial capacity to support the  
5 campus or additional location.

6       d. The secretary may approve the establishment of an out-of-  
7 State or out-of-country branch campus or additional location if the  
8 secretary determines that the branch campus or additional location:

9       (1) serves a compelling State interest;

10       (2) does not impose excessive costs or reputational risk to the  
11 State;

12       (3) does not impose a risk to the security interests of the State or  
13 federal government; and

14       (4) does not conflict with existing State or federal laws or  
15 regulations.

16       In making the determination, the secretary may utilize the  
17 assistance of an external consultant team, solicit comments from  
18 interested parties including faculty and members of professional  
19 staff not holding faculty rank at the public research university or  
20 State college, and conduct a site visit at the proposed site of the  
21 branch campus or additional location.

22       e. The governing board of a public research university or a  
23 State college shall fix the salary of all faculty and members of the  
24 professional staff not holding faculty rank performing services at  
25 '[a] an out-of-State or out-of-country' branch campus or additional  
26 location, and the faculty and members shall be paid and provided  
27 benefits in the same manner as all other employees of the public  
28 research university or State college performing services on behalf  
29 of the public research university or State college within the State.

30       f. The cost for consultants utilized by the secretary and other  
31 out-of-pocket expenses incurred by the secretary for branch campus  
32 and related reviews shall be paid by the institution seeking to  
33 establish a branch campus or additional location.

34       g. The secretary shall adopt rules and regulations, pursuant to  
35 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
36 seq.), necessary to carry out the provisions of this section.

37       h. 'When the governing board of an independent institution of  
38 higher education, after study and investigation, determines that it is  
39 advisable for the institution to establish a branch campus or  
40 additional location in the State that will serve at least 100 students  
41 of the institution, the board shall submit the plan for the branch  
42 campus or additional location to the secretary for review and  
43 comment. The plan shall be developed and reviewed according to  
44 standards established by the secretary through rules and regulations  
45 promulgated pursuant to the "Administrative Procedure Act,"  
46 P.L.1968, c.410 (C.52:14B-1 et seq.).

47       i.<sup>1</sup> As used in this section:

1     “Additional location” means a location, other than a branch  
 2     campus, that is geographically apart from the main campus and at  
 3     which the institution offers at least 50 percent of an educational  
 4     program.

5     “Branch campus” means a physical facility located at a place  
 6     other than the institution’s principal campus offering one or more  
 7     complete programs leading to a degree.

8     (cf: P.L.2009, c.308, s.20)

9  
 10     5. N.J.S.18A:68-3 is amended to read as follows:

11     18A:68-3. a. No corporation shall furnish instruction or learning  
 12     in the arts, sciences, or professions for the purposes of admitting  
 13     any person to the grade of a degree, or shall confer or participate in  
 14     conferring a degree, giving to any person a diploma of graduation  
 15     or of proficiency in a course of study, in learning, or in scientific  
 16     arts or methods, within this State, until it shall have filed a certified  
 17     copy of its certificate of incorporation with the **【Commission on】**  
 18     Secretary of Higher Education and obtained from the **【commission】**  
 19     secretary a license to carry on the business under such rules as the  
 20     **【commission】** secretary may prescribe.

21     b. The secretary shall prepare a fee schedule to cover the  
 22     reasonable administrative costs associated with licensing  
 23     procedures and submit the initial fee schedule to the Legislature for  
 24     review. The secretary shall subsequently adopt, pursuant to the  
 25     “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et  
 26     seq.), the fee schedule. Fees collected shall be deposited in the  
 27     State Treasury.

28     c. The cost for consultants utilized by the **【Commission on】**  
 29     Secretary of Higher Education and other out-of-pocket expenses  
 30     incurred by the **【commission】** secretary for licensure and related  
 31     reviews shall be paid by the institution seeking a license or license  
 32     renewal.

33     (cf: P.L.1999, c.46, s.44)

34  
 35     6. (New section) As used in sections 6 through 12 of P.L. ,  
 36     c. (C. ) (pending before the Legislature as this bill):

37     “Closure” means the cessation of operations by an institution of  
 38     higher education or a proprietary institution licensed to offer  
 39     academic degrees.

40     “Secretary” means the Secretary of Higher Education.

41     “Disorderly closure” means a closure that does not meet the  
 42     requirements of P.L. , c. (C. ) (pending before the Legislature as  
 43     this bill).

44     “Eligible transfer institution” means an institution of higher  
 45     education or a proprietary institution licensed to offer academic  
 46     degrees that has been approved by the secretary pursuant to section  
 47     10 of P.L. , c. (C. ) (pending before the Legislature as this bill).

1 "Institutional debt" means:

2 (1) the amount outstanding on any credit, including unpaid  
3 charges, extended by or on behalf of an institution of higher  
4 education or a proprietary institution licensed to offer academic  
5 degrees that a student is obligated to repay, whether the amount has  
6 been reduced to a judgment or the institution classifies it as a loan;  
7 or

8 (2) a nonfederal loan or debt agreement that is issued expressly  
9 for postsecondary education expenses and that is guaranteed by an  
10 institution of higher education or a proprietary institution or a  
11 private educational lender that is affiliated with an institution of  
12 higher education or a proprietary institution.

13 "Institutional financial aid agreement" means any contract,  
14 promissory note, part of an enrollment agreement, or other  
15 agreement in which a student agrees to pay an institutional debt.

16 "Orderly closure" means a closure that meets the requirements of  
17 P.L. , c. (C. ) (pending before the Legislature as this bill).

18 "Student" means an individual enrolled at an institution of higher  
19 education or a proprietary institution licensed to offer academic  
20 degrees in New Jersey, or a New Jersey resident enrolled at an  
21 institution of higher education or proprietary institution located  
22 outside of this State.

23 "Teach-out agreement" means a written agreement between  
24 institutions that provides for the equitable treatment of students and  
25 a reasonable opportunity for students to complete their program of  
26 study if an institution, or an institutional location that provides 100  
27 percent of at least one program offered, ceases to operate before all  
28 enrolled students have completed their program of study.

29 "Teach-out plan" means a written plan developed by the  
30 institution that provides for the equitable treatment of students if an  
31 institution, or an institutional location, ceases to operate before all  
32 students have completed their program of study, and may include, if  
33 required by the institution's accrediting agency, a teach-out  
34 agreement between institutions.

35

36 7. (New section) a. An independent institution of higher  
37 education and a proprietary institution licensed to offer academic  
38 degrees shall immediately notify the secretary of any known  
39 financial liabilities or risks that are reasonably likely to result in the  
40 imminent closure of the institution or otherwise negatively affect  
41 the institution's ability to fulfill its obligations to current and  
42 admitted students.

43 b. All independent institutions and proprietary institutions  
44 licensed to offer academic degrees shall submit an annual fiscal  
45 monitoring report to the secretary according to a schedule  
46 established by the secretary and in a format developed by the  
47 secretary.



1       c. The secretary shall establish a process to annually assess  
2 each independent institution's and proprietary institution's financial  
3 information to identify whether an institution is at risk of imminent  
4 closure. The assessment shall be based on a review of information  
5 received through the annual fiscal monitoring report. In addition to  
6 the annual report, the secretary may also conduct additional  
7 assessments at the secretary's discretion to identify whether an  
8 institution is at risk of imminent closure.

9       d. If the secretary determines there is a risk of imminent  
10 closure, the determination and a summary of the basis for the  
11 determination shall be provided to the institution. Upon receipt of  
12 the determination and summary the institution shall immediately:

13       (1) notify the secretary of any known liabilities, risks, or  
14 financial issues;

15       (2) provide to the secretary any information necessary to  
16 accurately and fairly determine the institution's financial status and  
17 likelihood of imminent closure and to monitor its condition;

18       (3) prepare and submit to the secretary a contingency plan for  
19 closure, which shall include:

20       (a) a process to notify relevant stakeholders, as determined by  
21 the secretary including, but not limited to, enrolled students,  
22 candidates who have submitted applications, recent graduates,  
23 faculty, staff, and host communities;

24       (b) arrangements for the continued education of currently  
25 enrolled students via teach-out agreement or other practical  
26 solution;

27       (c) a plan for the transfer to and long-term maintenance of  
28 records, particularly student academic records, by a third-party if  
29 the institution closes;

30       (d) information about the rights and responsibilities of student  
31 loan borrowers;

32       (e) information about the institution's financial condition,  
33 accreditation status, and any outstanding compliance issues  
34 regarding federal and State student aid programs; and

35       (f) confirmation that the institution has obtained either a surety  
36 bond or letter of credit to refund student enrollment deposits and for  
37 the cost to maintain student records by a third-party.

38       e. Upon a finding by the secretary that an institution has failed  
39 to comply with the requirements of this section, the secretary shall  
40 have the authority to order:

41       (1) a fine not to exceed \$1,000 per day of non-compliance with  
42 the requirements of this section;

43       (2) the suspension of any State funding designated for the  
44 institution; and

45       (3) the suspension or revocation of any degree-granting  
46 authority previously conferred on the institution.

47       f. Any information submitted to, or developed by, the secretary  
48 in furtherance of this section shall not be a public record and shall

1 be exempt from disclosure under provisions of P.L.1963, c.73  
2 (C.47:1A-1 et seq.), commonly known as the open public records  
3 act.

4  
5 8. (New section) a. This section shall apply to a proprietary  
6 institution licensed to offer academic degrees that operates in this  
7 State.

8 b. A proprietary institution licensed to offer academic degrees  
9 shall provide the secretary a teach-out plan that addresses a  
10 potential closure of the institution. The teach-out plan shall be  
11 updated as required by the secretary.

12 c. A teach-out plan shall include any information required by  
13 the secretary and shall state that:

14 (1) the institution shall make all reasonable efforts to ensure that  
15 any closure of the institution complies with the requirements of  
16 sections 9 through 12 of P.L. , c. (C. ) (pending before the  
17 Legislature as this bill);

18 (2) the chief executive officer and the members of the governing  
19 body of the institution were not in an executive position or a  
20 member of a governing body of an institution in which a disorderly  
21 closure occurred; and

22 (3) any institutional financial aid agreement offered to a student  
23 shall contain language stating that, in the event of a disorderly  
24 closure, the institutional debt shall be void and shall not be  
25 recovered, collected, or enforced.

26 d. The Office of the Attorney General shall seek an injunction  
27 or other judicial remedy against a proprietary institution licensed to  
28 offer academic degrees that fails to comply with the requirements of  
29 this section, including requiring the institution to refund all tuition  
30 and fees paid by any student.

31  
32 9. (New section) a. Sections 9 through 12 of P.L. , c. (C. )  
33 (pending before the Legislature as this bill) shall apply to an  
34 institution of higher education or a proprietary institution licensed  
35 to offer academic degrees that operates in this State.

36 b. An institution of higher education or a proprietary institution  
37 licensed to offer academic degrees shall enter into a school-to-  
38 school teach-out agreement at least 120 days prior to the cessation  
39 of institution operations.

40 c. In order to satisfy the requirements of this section, a school-  
41 to-school teach-out agreement shall:

42 (1) be arranged by the closing institution;

43 (2) be agreed to by an eligible transfer institution, the closing  
44 institution, and the secretary;

45 (3) unless waived for good cause by the secretary, specify that  
46 the eligible transfer institution shall:

- 1 (a) be located within a reasonable distance of the closing  
2 institution, if the closing institution has a physical presence in the  
3 State;
- 4 (b) accept the transfer of all completed credits from students  
5 affected by the closure; and
- 6 (c) allow a student affected by the closure to complete the  
7 student's program with substantially the same number of credit  
8 hours as was required by the closing institution;
- 9 (4) specify that, on request by a student affected by the closure,  
10 the closing institution shall provide a complete academic record and  
11 an official transcript to the student at no cost to the student; and
- 12 (5) meet any other standards as deemed appropriate by the  
13 secretary.
- 14
- 15 10. (New section) a. The Secretary of Higher Education shall  
16 approve an institution of higher education or a proprietary  
17 institution licensed to offer academic degrees to act as an eligible  
18 transfer institution if the institution:
- 19 (1) is in good standing with its accreditor and, if applicable, its  
20 licensing body;
- 21 (2) if applicable, has not been sanctioned by the United States  
22 Department of Education due to having a high cohort loan default  
23 rate;
- 24 (3) has not been placed on Heightened Cash Monitoring  
25 Payment Method Level 2 by the United States Department of  
26 Education;
- 27 (4) within the previous five years has not had any judgments  
28 related to a consumer protection law entered against it in favor of a  
29 law enforcement agency; and
- 30 (5) meets the requirements provided in section 9 of P.L. , c.  
31 (C. ) (pending before the Legislature as this bill), and any  
32 additional standards provided pursuant to subsection b. of this  
33 section.
- 34 b. The secretary may establish additional standards on a case-  
35 by-case basis for approving an eligible transfer institution.
- 36
- 37 11. (New section) a. Before any institution of higher education  
38 or proprietary institution licensed to offer academic degrees ceases  
39 educational instruction or administrative operation, the institution  
40 shall file with the eligible transfer institution or a third-party  
41 approved by the secretary copies of all essential records of the  
42 current or former students of the institution. The obligation of an  
43 institution under this section shall not be discharged in bankruptcy.
- 44 b. If an institution of higher education or a proprietary  
45 institution licensed to offer academic degrees does not file all  
46 essential records in accordance with this section, the Office of the  
47 Attorney General may:

1 (1) require the institution to refund all tuition and fees paid by a  
2 student whose records are not filed in accordance with this section;  
3 and

4 (2) seek an injunction or other judicial remedy against the  
5 institution or school.  
6

7 12. (New section) a. It shall be an unlawful practice and a  
8 violation of P.L.1960, c.39 (C.56:8-1 et seq.) for any institution of  
9 higher education, proprietary institution licensed to offer academic  
10 degrees, person, or entity to collect on a student's institutional debt  
11 if the institutional financial aid agreement does not contain the  
12 language required under paragraph (3) of subsection c. of section 8  
13 of P.L. , c. (C. ) (pending before the Legislature as this bill).

14 b. It shall be an unlawful practice and a violation of P.L.1960,  
15 c.39 (C.56:8-1 et seq.) for an institution of higher education or  
16 proprietary institution licensed to offer academic degrees to collect  
17 on the institutional debt of a student who attended a program in  
18 which a disorderly closure occurred.  
19

20 13. (New section) The Secretary of Higher Education shall  
21 adopt rules and regulations pursuant to the "Administrative  
22 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to effectuate  
23 the purposes of sections 6 through 12 of P.L. , c. (C. ) (pending  
24 before the Legislature as this bill).  
25

26 14. (New section) As used in sections 14 through 20 of P.L. ,  
27 c. (C. ) (pending before the Legislature as this bill):

28 "Closure" means the cessation of operations by a private career  
29 school.

30 "Commissioner" means the Commissioner of Labor and  
31 Workforce Development.

32 "Disorderly closure" means a closure that does not meet the  
33 requirements of P.L. , c. (C. ) (pending before the Legislature as  
34 this bill).

35 "Eligible transfer institution" means a private career school that  
36 has been approved by the commissioner pursuant to section 17 of  
37 P.L. , c. (C. ) (pending before the Legislature as this bill).

38 "Institutional debt" means:

39 (1) the amount outstanding on any credit, including unpaid  
40 charges, extended by or on behalf of a private career school that a  
41 student is obligated to repay, whether the amount has been reduced  
42 to a judgment or the school classifies it as a loan; or

43 (2) a nonfederal loan or debt agreement that is issued expressly  
44 for postsecondary education expenses and that is guaranteed by a  
45 private career school or a private educational lender that is affiliated  
46 with a private career school.

1 "Institutional financial aid agreement" means any contract,  
2 promissory note, part of an enrollment agreement, or other  
3 agreement in which a student agrees to pay an institutional debt.

4 "Orderly closure" means a closure that meets the requirements of  
5 P.L. , c. (C. ) (pending before the Legislature as this bill).

6 "Private career school" means a privately owned and privately  
7 operated postsecondary school, other than an institution of higher  
8 education or proprietary institution licensed to offer academic  
9 degrees, that furnishes or offers to furnish programs, whether or not  
10 requiring a payment of tuition or fee, for the purpose of training,  
11 retraining, or upgrading individuals for gainful employment as  
12 workers in recognized or emerging occupations.

13 "Student" means an individual enrolled at a private career school  
14 in New Jersey, or a New Jersey resident enrolled at a private career  
15 school located outside of this State.

16 "Teach-out agreement" means a written agreement between  
17 schools that provides for the equitable treatment of students and a  
18 reasonable opportunity for students to complete their program of  
19 study if a school, or a school location that provides 100 percent of  
20 at least one program offered, ceases to operate before all enrolled  
21 students have completed their program of study.

22 "Teach-out plan" means a written plan developed by the school  
23 that provides for the equitable treatment of students if a school, or a  
24 school location, ceases to operate before all students have  
25 completed their program of study, and may include, if required by  
26 the school's accrediting agency, a teach-out agreement between  
27 schools.

28

29 15. (New section) a. Sections 14 through 20 of P.L. ,  
30 c. (C. ) (pending before the Legislature as this bill) shall apply to  
31 a private career school that operates in this State.

32 b. A private career school shall provide the commissioner a  
33 teach-out plan that addresses a potential closure of the school. The  
34 teach-out plan shall be updated as required by the commissioner.

35 c. A teach-out plan shall include any information required by  
36 the commissioner and shall state that:

37 (1) the school shall make all reasonable efforts to ensure that  
38 any closure of a school complies with the requirements of P.L. , c.  
39 (C. ) (pending before the Legislature as this bill);

40 (2) the chief executive officer and the members of the governing  
41 body of the school were not in an executive position or a member of  
42 a governing body of a school in which a disorderly closure  
43 occurred; and

44 (3) any institutional financial aid agreement offered to a student  
45 shall contain language stating that, in the event of a disorderly  
46 closure, the institutional debt shall be void and shall not be  
47 recovered, collected, or enforced.

1 d. The commissioner shall seek an injunction or other judicial  
2 remedy against a private career school that fails to comply with the  
3 requirements of this section, including requiring the school to  
4 refund all tuition and fees paid by any student.

5  
6 16. (New section) a. A private career school shall enter into a  
7 school-to-school teach-out agreement at least 120 days prior to the  
8 cessation of school operations.

9 b. In order to satisfy the requirements of this section, a school-  
10 to-school teach-out agreement shall:

11 (1) be arranged by the closing private career school;

12 (2) be agreed to by an eligible transfer institution, the closing  
13 private career school, and the commissioner; and

14 (3) unless waived for good cause by the commissioner, specify  
15 that the eligible transfer institution shall:

16 (a) be located within a reasonable distance of the closing school,  
17 if the closing school has a physical presence in the State;

18 (b) accept the transfer of all completed credits from students  
19 affected by the closure; and

20 (c) allow a student affected by the closure to complete the  
21 student's program with substantially the same number of credit  
22 hours as was required by the closing school; and

23 (4) not charge a student tuition or fees in excess of the lesser of:

24 (a) the remaining amount that a student affected by the closure  
25 would have paid to the closing school to complete the program; or

26 (b) the transfer institution's applicable tuition and fees; and

27 (5) specify that, on request by a student affected by the closure,  
28 the closing school shall provide a complete academic record and an  
29 official transcript to the student at no cost to the student.

30  
31 17. (New section) a. The Commissioner of Labor and  
32 Workforce Development shall approve a private career school to act  
33 as an eligible transfer institution if the school:

34 (1) is in good standing with its accreditor and, if applicable, its  
35 licensing body;

36 (2) if applicable, has not been sanctioned by the United States  
37 Department of Education due to having a high cohort loan default  
38 rate;

39 (3) has not been placed on Heightened Cash Monitoring  
40 Payment Method Level 2 by the United States Department of  
41 Education;

42 (4) within the previous five years, has not entered into any  
43 settlement agreements related to a consumer protection law with a  
44 law enforcement agency, or had any judgments related to a  
45 consumer protection law entered against it in favor of a law  
46 enforcement agency; and

47 (5) meets the requirements provided in section 16 of P.L. ,

48 c. (C. ) (pending before the Legislature as this bill), and any

1 additional standards provided pursuant to subsection b. of this  
2 section.

3 b. The commissioner may establish additional standards on a  
4 case-by-case basis for approving an eligible transfer institution.  
5

6 18. (New section) a. Before any private career school ceases  
7 operations, the school shall file with the commissioner copies of all  
8 essential records of the current or former students of the school.  
9 The obligation of a school under this section shall not be discharged  
10 in bankruptcy.

11 b. The records shall present, as separate documents:

12 (1) the official academic transcript of each student;

13 (2) any other academic information usually required by private  
14 career schools when considering students for transfer or advanced  
15 study; and

16 (3) if requested by the commissioner, the financial aid and  
17 financial account information of each student.

18 c. The records shall be accompanied by an affidavit as to the  
19 accuracy and completeness of the records on behalf of the school's  
20 board of trustees, bursar, chief administrative officer, chief  
21 executive officer, chief financial officer, or registrar.

22 d. The commissioner shall maintain a permanent file of all  
23 records filed with the commissioner under this section.

24 e. (1) If a student who attended a private career school that  
25 closed in accordance with P.L. , c. (C. ) (pending before the  
26 Legislature as this bill) requests a copy of the student's official  
27 academic transcript from the commissioner and the commissioner  
28 determines that the requested transcript is missing, incomplete, or in  
29 a format inaccessible to the student, the commissioner may issue a  
30 replacement transcript for the student based solely on the most  
31 recent information provided by the school that the student attended.

32 (2) A replacement transcript issued in accordance with  
33 paragraph (1) of this subsection shall be signed by a designee of the  
34 commissioner, contain an explanation of the closure of the school,  
35 and contain an explanation of the source of all information  
36 contained in the replacement transcript.

37 f. (1) Except as provided in paragraph (2) of this subsection, a  
38 replacement transcript issued in accordance with this section shall  
39 be accepted as an official transcript by any private career school  
40 operating in the State.

41 (2) For purposes of student transfer, a private career school may  
42 consider, instead of or in addition to a replacement transcript, an  
43 unofficial transcript or other transcript information provided by the  
44 student that the receiving institution or program deems relevant.

45 g. (1) The commissioner shall adopt regulations necessary to  
46 carry out the provisions of this section, which shall include the  
47 manner and format in which student records are to be filed with the

1 commissioner, and a description of the circumstances under which a  
2 private career school may cease operation.

3 h. If a private career school does not file all essential records  
4 with the commissioner in accordance with this section, the  
5 commissioner may:

6 (1) require the school to refund all tuition and fees paid by a  
7 student whose records are not filed in accordance with this section;  
8 and

9 (2) seek an injunction or other judicial remedy against the  
10 private career school.

11  
12 19. (New section) a. It shall be an unlawful practice and a  
13 violation of P.L.1960, c.39 (C.56:8-1 et seq.) for any private career  
14 school, person, or entity to collect on a student's institutional debt  
15 if the institutional financial aid agreement does not contain the  
16 language required under paragraph (3) of subsection c. of section 15  
17 of P.L. , c. (C. ) (pending before the Legislature as this bill).

18 b. It shall be an unlawful practice and a violation of P.L.1960,  
19 c.39 (C.56:8-1 et seq.) for a private career school to collect on the  
20 institutional debt of a student who attended a program in which a  
21 disorderly closure occurred.

22  
23 20. (New section) The Commissioner of Labor and Workforce  
24 Development, in consultation with the Commissioner of Education,  
25 shall adopt rules and regulations pursuant to the "Administrative  
26 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to effectuate  
27 the purposes of sections 14 through 19 of P.L. , c. (C. ) (pending  
28 before the Legislature as this bill).

29  
30 21. This act shall take effect on <sup>1</sup>the 120th day next following  
31 enactment **September 1, 2021**<sup>1</sup>.

32  
33  
34 \_\_\_\_\_  
35  
36 Establishes requirements for closures of private career schools  
37 and institutions of higher education, modifies review process of  
38 new academic programs, and requires approval of branch campuses.