

SENATE HIGHER EDUCATION COMMITTEE

STATEMENT TO

SENATE, No. 3709

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 15, 2021

The Senate Higher Education Committee reports favorably Senate Bill No. 3709 with committee amendments.

Institutions of higher education and proprietary schools are increasingly utilizing the marketing services of online program managers (OPMs) to promote their programs to prospective students. Under this bill, as amended, an institution of higher education or proprietary degree-granting institution that retains an online program manager to provide marketing services for its academic degree programs must require:

(1) the online program manager to self-identify as a third party entity that is separate from the institution at the beginning of any communication with a prospective student; and

(2) any digital or print advertising provided by the online program manager for an academic program of the institution to include a clear disclosure of the relationship between the online program manager and the institution.

The bill further provides that an online program manager's failure to self-identify pursuant to the bill's provisions constitutes an unlawful practice under the New Jersey consumer fraud act, P.L.1960, c.39 (C.56:8-1 et seq.), and remedies and penalties may be assessed according to the provisions of that act.

COMMITTEE AMENDMENTS:

The committee amended the bill to replace the term "proprietary institution licensed to offer academic degrees" with "proprietary degree-granting institution". The terms are substantively equivalent.

The committee limited the bill's definition of an online program manager to apply only to an OPM that enters into a contract or agreement related exclusively to online degree and certificate program delivery, including online programs with required in-person clinical and other instruction, with an institution of higher education or a proprietary degree-granting institution.