

18A:3B-6a & 18A:3B-6b
LEGISLATIVE HISTORY CHECKLIST

Compiled by the NJ State Law Library

LAWS OF: 2019 **CHAPTER:** 201

NJSA: 18A:3B-6a & 18A:3B-6b (Requires institutions of higher education and proprietary degree-granting institutions to improve transparency of tuition and fees.)

BILL NO: S2046 (Substituted for A3625)

SPONSOR(S) Shirley K. Turner and others

DATE INTRODUCED: 2/26/2018

COMMITTEE: **ASSEMBLY:** Higher Education
 SENATE: Higher Education

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: **ASSEMBLY:** 6/20/2019
 SENATE: 6/7/2018

DATE OF APPROVAL: 7/30/2019

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (Introduced version of bill enacted) Yes

S2046

SPONSOR'S STATEMENT: (Begins on page 3 of introduced bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes

SENATE: Yes

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: No

A3625

SPONSOR'S STATEMENT: (Begins on page 3 of introduced bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes

SENATE: No

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: No

(continued)

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

To check for circulating copies, contact New Jersey State Government Publications at the State Library (609) 278-2640 ext.103 or <mailto:refdesk@njstatelib.org>

REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: Yes

"NJ colleges to face tougher oversight on how they spend student fees,"
NJBIZ, July 30, 2019

"New Jersey enacts 2 student loan transparency laws,"
Associated Press State Wire: New Jersey July 30, 2019

"New Jersey enacts 2 student loan transparency laws - New Jersey enacts 2 student loan transparency Laws,"
The Press of Atlantic City, July 31, 2019

"N.J. mandates transparency for college costs College Costs<"
South Jersey Times, July 31, 2019

"N.J. mandates transparency for the 'true cost of college'"
The Times, August 1, 2019

RWH/CL

P.L. 2019, CHAPTER 201, *approved July 30, 2019*

Senate, No. 2046

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
36 or 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

1 the institution, and to allow students and families to easily evaluate
2 and compare financial aid packages from different institutions.

3 b. The Secretary of Higher Education shall prescribe a model
4 format for the shopping sheet required by subsection a. of this
5 section. Each public or independent institution of higher education
6 or proprietary institution licensed to offer academic degrees shall
7 utilize either the model format developed by the secretary or the
8 most current financial aid shopping sheet developed by the United
9 States Department of Education or the Consumer Financial
10 Protection Bureau. The model shopping sheet prescribed by the
11 secretary shall include, at a minimum, the following information:

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

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

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

21 (4) the total amount per year of student loans and work study
22 funds that the student is eligible for, broken down by federal
23 Perkins loans, federal Direct Subsidized loans, federal Direct
24 Unsubsidized loans, and federal, State, or institutional work study
25 funds;

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

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

31 (7) in the case of a county college or a proprietary institution
32 licensed to offer associate degrees, the percentage of students at the
33 college or institution who graduate within three years as compared
34 to the average rate at other county colleges or proprietary
35 institutions as applicable, and in the case of a four-year institution
36 of higher education or a proprietary institution licensed to offer
37 baccalaureate degrees, the percentage of students at the institution
38 who graduate within six years as compared to the average rate at
39 other four-year public or independent institutions of higher
40 education or other proprietary institutions as applicable.

41 c. The secretary, in developing the model format for the
42 shopping sheet, shall consider any sample or model formats for a
43 financial aid shopping sheet developed by the United States
44 Department of Education or the Consumer Financial Protection
45 Bureau.

46

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

STATEMENT

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48

This bill implements under section 1 the recommendations of the April 27, 2016 report of the State Comptroller entitled, Controls Over Collection, Allocation And Use Of Student Fees At Selected New Jersey Colleges and Universities. The report looked at the issue of mandatory student fees at three of the State colleges. This bill would apply the State Comptroller's recommendations to all public institutions of higher education and to proprietary institutions licensed to offer academic degrees.

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

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

This bill also requires public and independent institutions of higher education and proprietary institutions licensed to offer academic degrees to provide a financial aid "shopping sheet" to each prospective student as part of the institution's financial aid offer to that student. The bill directs the Secretary of Higher Education to prescribe a model format for the shopping sheet, which must be utilized by the institutions. The model shopping sheet prescribed by the secretary must include certain information concerning the costs and expected debt that the particular student can expect to incur in attending that institution. The shopping sheet also must include certain information concerning the institution's graduation rate, student retention rate, and student loan default rate. The bill directs the institutions of higher education to utilize either the model format developed by the secretary or the most current financial aid shopping sheet developed by the United States Department of Education or the Consumer Financial Protection Bureau.

The United States Department of Education and the Consumer Financial Protection Bureau have developed a model shopping sheet

S2046

1 format for post-secondary schools to use in conveying this
2 information to prospective students. Under this bill, the Secretary
3 of Higher Education, in creating the model shopping sheet, is
4 directed to consider any sample or model formats for a financial aid
5 shopping sheet developed by these federal agencies.

6

7

8

9

10 Requires institutions of higher education and proprietary degree-
11 granting institutions to improve transparency of tuition and fees.

SENATE, No. 2046

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED FEBRUARY 26, 2018

Sponsored by:

Senator SHIRLEY K. TURNER

District 15 (Hunterdon and Mercer)

Assemblywoman PAMELA R. LAMPITT

District 6 (Burlington and Camden)

Assemblyman GARY S. SCHAER

District 36 (Bergen and Passaic)

Assemblyman RAJ MUKHERJI

District 33 (Hudson)

Co-Sponsored by:

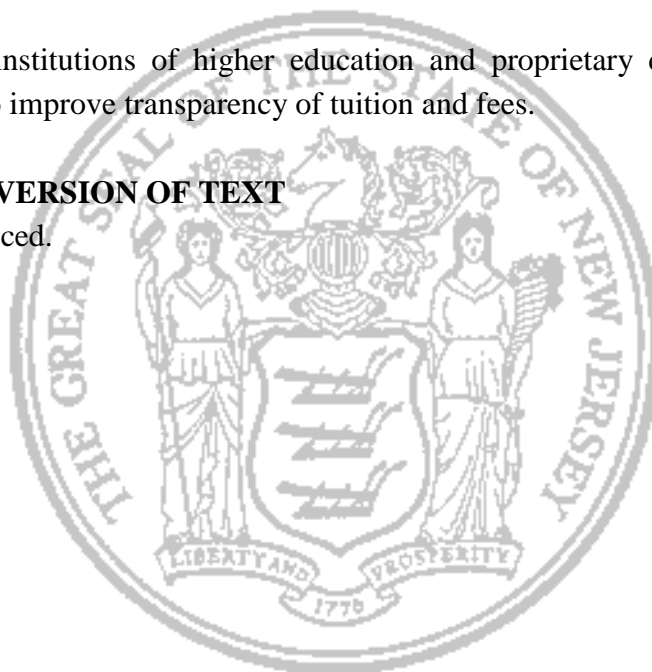
Senator Ruiz, Assemblywomen Vainieri Huttle, Pinkin, Assemblyman Holley, Assemblywomen Jones, Mosquera, Assemblyman Verrelli, Assemblywoman Jasey, Assemblyman Calabrese, Assemblywomen McKnight, Timberlake, Quijano and Downey

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
36 or 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

S2046 TURNER

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.

39

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

42

43

44

STATEMENT

45

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

S2046 TURNER

4

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,
31 which must be utilized by the institutions. The model shopping
32 sheet prescribed by the secretary must include certain information
33 concerning the costs and expected debt that the particular student
34 can expect to incur in attending that institution. The shopping sheet
35 also must include certain information concerning the institution's
36 graduation rate, student retention rate, and student loan default rate.
37 The bill directs the institutions of higher education to utilize either
38 the model format developed by the secretary or the most current
39 financial aid shopping sheet developed by the United States
40 Department of Education or the Consumer Financial Protection
41 Bureau.

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

ASSEMBLY HIGHER EDUCATION COMMITTEE

STATEMENT TO

SENATE, No. 2046

STATE OF NEW JERSEY

DATED: SEPTEMBER 13, 2018

The Assembly Higher Education Committee reports favorably Senate Bill No. 2046.

This bill implements under section 1 the recommendations of the April 27, 2016 report of the State Comptroller entitled, Controls Over Collection, Allocation And Use Of Student Fees At Selected New Jersey Colleges and Universities. The report looked at the issue of mandatory student fees at three of the State colleges. This bill would apply the State Comptroller's recommendations to all public institutions of higher education and to proprietary institutions licensed to offer academic degrees.

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

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

This bill also requires public and independent institutions of higher education and proprietary institutions licensed to offer academic degrees to provide a financial aid "shopping sheet" to each prospective student as part of the institution's financial aid offer to that student. The bill directs the Secretary of Higher Education to prescribe a model format for the shopping sheet. Each public or independent institution of higher education or proprietary institution licensed to offer academic degrees must utilize either the model format developed by the secretary or the most current

financial aid shopping sheet developed by the United States Department of Education or the Consumer Financial Protection Bureau. The model shopping sheet prescribed by the secretary must include certain information concerning the costs and expected debt that the particular student can expect to incur in attending that institution. The shopping sheet also must include certain information concerning the institution's graduation rate, student retention rate, and student loan default rate.

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

As reported by the committee, this bill is identical to Assembly Bill No. 3625, which also was reported by the committee on this same date.

SENATE HIGHER EDUCATION COMMITTEE

STATEMENT TO

SENATE, No. 2046

STATE OF NEW JERSEY

DATED: MAY 14, 2018

The Senate Higher Education Committee favorably reports Senate Bill No. 2046.

This bill implements under section 1 the recommendations of the April 27, 2016 report of the State Comptroller entitled, Controls Over Collection, Allocation And Use Of Student Fees At Selected New Jersey Colleges and Universities. The report looked at the issue of mandatory student fees at three of the State colleges. This bill would apply the State Comptroller's recommendations to all public institutions of higher education and to proprietary institutions licensed to offer academic degrees.

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

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

This bill also requires public and independent institutions of higher education and proprietary institutions licensed to offer academic degrees to provide a financial aid "shopping sheet" to each prospective student as part of the institution's financial aid offer to that student. The bill directs the Secretary of Higher Education to prescribe a model format for the shopping sheet. Each public or independent institution of higher education or proprietary institution licensed to offer academic degrees must utilize either the model format developed by the secretary or the most current

financial aid shopping sheet developed by the United States Department of Education or the Consumer Financial Protection Bureau. The model shopping sheet prescribed by the secretary must include certain information concerning the costs and expected debt that the particular student can expect to incur in attending that institution. The shopping sheet also must include certain information concerning the institution's graduation rate, student retention rate, and student loan default rate.

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

ASSEMBLY, No. 3625

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED MARCH 12, 2018

Sponsored by:

Assemblywoman PAMELA R. LAMPITT

District 6 (Burlington and Camden)

Assemblyman GARY S. SCHAER

District 36 (Bergen and Passaic)

Assemblyman RAJ MUKHERJI

District 33 (Hudson)

Co-Sponsored by:

Assemblywomen Vainieri Huttle, Pinkin, Assemblyman Holley,

Assemblywomen Jones, Mosquera, Assemblyman Verrelli,

Assemblywoman Jasey, Assemblyman Calabrese, Assemblywomen

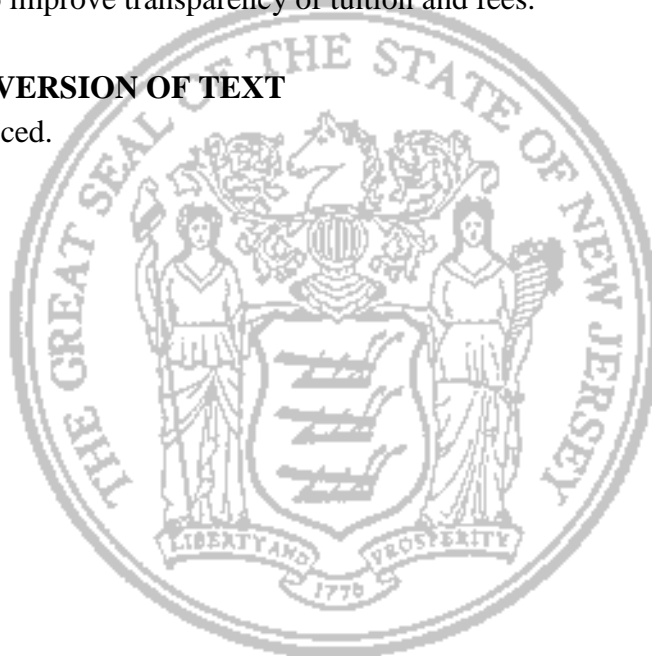
McKnight, Timberlake, Quijano and Downey

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.

39

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

42

43

44

STATEMENT

45

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.

ASSEMBLY HIGHER EDUCATION COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3625

STATE OF NEW JERSEY

DATED: SEPTEMBER 13, 2018

The Assembly Higher Education Committee reports favorably Assembly Bill No. 3625.

This bill implements under section 1 the recommendations of the April 27, 2016 report of the State Comptroller entitled, Controls Over Collection, Allocation And Use Of Student Fees At Selected New Jersey Colleges and Universities. The report looked at the issue of mandatory student fees at three of the State colleges. This bill would apply the State Comptroller's recommendations to all public institutions of higher education and to proprietary institutions licensed to offer academic degrees.

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

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

This bill also requires public and independent institutions of higher education and proprietary institutions licensed to offer academic degrees to provide a financial aid "shopping sheet" to each prospective student as part of the institution's financial aid offer to that student. The bill directs the Secretary of Higher Education to prescribe a model format for the shopping sheet. Each public or independent institution of higher education or proprietary institution licensed to offer academic degrees must utilize either the model format developed by the secretary or the most current

financial aid shopping sheet developed by the United States Department of Education or the Consumer Financial Protection Bureau. The model shopping sheet prescribed by the secretary must include certain information concerning the costs and expected debt that the particular student can expect to incur in attending that institution. The shopping sheet also must include certain information concerning the institution's graduation rate, student retention rate, and student loan default rate.

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

As reported by the committee, this bill is identical to Senate Bill No. 2046, which also was reported by the committee on this same date.

Acting Governor Oliver Signs Legislation to Promote Transparency for Students and Improve College Affordability

07/30/2019

Acting Governor Oliver Signs Legislation to Promote Transparency for Students and Improve College Affordability

New Laws Will Help Students Understand the True Cost of College and Protect Student Loan Borrowers

South Orange – Acting Governor Sheila Oliver, joined by Higher Education Student Assistance Authority Executive Director David Socolow, Department of Banking and Insurance Commissioner Marlene Caride, and Deputy Secretary of Higher Education Diana Gonzalez, today signed two bills into law to provide clear and comprehensible financial information to students and protect student borrowers.

The first law (S2046) requires institutions of higher education to improve transparency of tuition and fees by providing a financial aid “shopping sheet” to prospective students. This college financing worksheet, or “shopping sheet,” will provide clear information on costs, loan options, and estimated debt levels, so students and their families can better understand the net price of attending college and can more easily compare financial aid package offers from institutions across New Jersey. The prime sponsors of this bill are Senator Shirley Turner, Assemblywoman Pamela Lampitt, Assemblyman Gary Schaer, and Assemblyman Raj Mukherji.

“The laws I signed today continue our Administration’s ongoing commitment to making college more affordable and accessible,” **said Acting Governor Sheila Y. Oliver**. “We have seen the negative impact that predatory lenders and misinformation can have on our students and these vital new consumer protection laws will help to protect and support them as they pursue postsecondary education. Students will be able to better understand the true cost of college, so they can make wise choices and determine the appropriate amount to borrow, and with strong standards and a new State watchdog, we will ensure they are treated fairly by the companies that service their loans. Governor Murphy and I proudly support these laws, which will help put New Jersey students in control when it comes to their education.”

Senator Sandra Cunningham, Senator Chris Brown, Assemblyman Gary Schaer, Assemblywoman Annette Quijano, Assemblyman Raj Mukherji, Assemblyman Jamel Holley, and Assemblyman Joe Danielsen are the prime sponsors of the other bill (S1149) signed into law today, which creates strong new protections for student loan borrowers by regulating the companies that service student loans. This new law will require student loan servicing companies to be licensed by the New Jersey Department of Banking and Insurance (DOBI), and will crack down on deceptive practices by servicers that provide flawed information to student borrowers, apply payments in ways that cause unnecessary late fees and harm borrowers’ credit scores, or fail to place them in repayment plans that are best designed to assist in paying off their loans. The bill also creates a New Jersey Student Loan Ombudsman within DOBI, who will help borrowers with complaints or unanswered questions about student loans and monitor and review complaints about student loan servicers operating in our state.

“This bill appoints an ombudsman who will advocate on behalf of families as they prepare to finance the education of their children,” **said Senator Sandra Cunningham**. “Aspiring to a college degree should never threaten the financial viability of your household.”

“This issue is personal for me—I worked with students first-hand figuring out how to pay for college and then went on to develop the original Department of Education Financial Aid Shopping Sheet during the Obama administration. Those experiences helped me see the deficiencies in our aid information system. No student should be left in the dark about what college costs or whether their financial aid is a grant or a loan. Today the state of New Jersey is taking a meaningful step to shed light on this process. Our higher education state plan stresses the importance of clear and comprehensible financial information, including information about loan repayment and college outcomes, before students decide to attend an institution and potentially sign up for debt,” **said Secretary of Higher Education Zakiya Smith Ellis**. “The signature of the Acting Governor today makes good on the vision announced in that plan.”

“New Jersey students are fortunate to have these additional protections in place. The new laws signed today will

deliver cost transparency to benefit students who are just entering college, as well as financial security for those who are striving to repay their student loan debt,” **said David Socolow, Executive Director of the New Jersey Higher Education Student Assistance Authority**. “Because students and families deserve to know the true cost of college up front, today New Jersey is taking a stand against college financial aid packages that cause confusion by lumping loans together with grants and scholarships to mask the net cost. And the new consumer protections enacted today will help student borrowers get treated fairly by the national student loan servicing companies. From before matriculation to after graduation, students should know that the State is on their side.”

“Access to higher education is a key priority of the Murphy Administration and I am proud that we are establishing new protections for students working to achieve their dreams of attending college and attaining long-term financial security. These new laws will better ensure that borrowers are treated fairly by loan servicers and have access to clear information about the impact of student loans over the course of repayment,” **said Department of Banking and Insurance Commissioner Marlene Caride**. “Through the licensing of student loan servicers and enhanced consumer protections under the law, the Department of Banking and Insurance will advocate on behalf of our residents to help them navigate the loan process and will assist in resolving disputes. Under the law’s provisions, the department will also hold accountable companies that do not comply with the law.”

“As the cost of attending college continues to rise, a record number of New Jersey residents are taking on student loans, so they can receive the benefits of a college education,” **said Assemblymembers Gary Schaer, Annette Quijano, Raj Mukherji, Jamel Holley, and Joseph Danielsen**. “With the creation of the Office of Student Loan Ombudsman, we will provide essential resources for student loan borrowers to understand their rights and responsibilities. The core functions of the Office will be to mediate grievances, address concerns, provide education about the student loan process, and monitor implementation of student loan policies. The new law will also establish regulations on student loan providers and ensure that all providers are properly licensed. This will establish further protection and transparency for our college students and their families. This law will give our students the necessary resources to become the future innovators and trailblazers that will lead New Jersey.”

“Too often, a term bill will just say ‘campus fee’ or ‘school fee’ without any explanation of how the money will be used, and there’s an expectation that students will just pay,” **said Assemblywoman Pamela Lampitt**. “When many students are taking on unbearable debt in order to pay for higher education, they at least deserve to know how these fees are spent.”

“Student fees often comprise a significant portion of an already exorbitant college price tag,” **said Assemblyman Gary Schaer**. “Students and their parents deserve to know where their money is going and what the full cost will be before they make one of the biggest decisions of their life.”

“Students sometimes pay upwards of \$2,000 in fees alone each semester on top of tuition that goes up year after year,” **said Assemblyman Raj Mukherji**. “Increasing transparency and accountability, along with the creation of a standardized financial aid shopping sheet, are just a few steps we can take to help students who continue to incur debt in pursuit of their dreams.”

“As college costs rose, more and more young people began turning to private entities for loans to fund their education,” **said Senator Sandra Cunningham**. “Now, as a generation struggles to make monthly payments and navigate their financial futures, it is our responsibility to ensure they are not being exploited. This legislation will allow us to monitor the student loan industry, so we can step in and take action when necessary.”

“Given the rising cost of a degree and the mounting student debt crisis, it is crucial students understand the costs they will incur and the likelihood they will be able to repay their student loans,” **said Senator Shirley Turner**. “Providing students with a comprehensive breakdown prior to choosing where to attend school will allow them to make a more informed decision that takes into account their long-term financial health.”

“With Washington turning its back on student loan borrowers, it is more important than ever that states fight for their citizens,” **said Student Borrower Protection Center Executive Director and former Consumer Financial Protection Bureau student loan ombudsman Seth Frotman**. “This legislation is an important step toward ensuring that the over one million New Jersey student loan borrowers have critical protections against predatory players.”