

ASSEMBLY HIGHER EDUCATION COMMITTEE

STATEMENT TO ASSEMBLY, No. 1198

with committee amendments

STATE OF NEW JERSEY

DATED: OCTOBER 13, 2022

The Assembly Higher Education Committee reports favorably Assembly Bill No. 1198, with committee amendments.

As amended, this bill establishes conditions under which an institution of higher education or proprietary institution licensed to offer academic degrees may refuse to release a transcript to a student who has an outstanding account balance at the institution.

Under the bill, if a student requests a transcript for purposes of transfer to another institution, application for enrollment in a graduate degree program, or for employment including internships, fellowships, certifications, licensures, and special programs, an institution cannot, due to an outstanding balance on a student's account of \$2,000 or less of non-mandatory charges:

- (1) refuse to provide a transcript for a student on the grounds that the student owes a debt;
- (2) condition the provision of a transcript on the payment of a debt, other than a fee charged to provide the transcript;
- (3) charge a higher fee for obtaining a transcript, or provide less favorable treatment of a transcript request because a student owes a debt; or
- (4) use transcript issuance as a tool for debt collection.

The bill further provides that an institution may condition the provision of a transcript to a student on the student's agreement to enter into a good faith repayment plan and submission of the first payment on that plan if the student owes the institution:

- (1) any amount for unpaid tuition, room and board, or other mandatory student fees or charges; or
- (2) an amount exceeding \$2,000 for non-mandatory charges.

Under the bill, an institution cannot restrict or condition the provision of a transcript to a student who attests that the transcript is needed to apply for new student loans or to refinance existing student loans.

The bill provides that a violation by an institution of the bill's requirements will constitute an unlawful practice under the consumer fraud act, and will be subject to all remedies and penalties available pursuant to the provisions of that act.

Finally, the bill provides that its provisions will not apply to the release of transcripts to students who reside outside of the United States.

This bill was pre-filed for introduction in the 2022-2023 session pending technical review. As reported, this bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

- limit an institution's ability to restrict or condition the provision of a transcript to a student who owes a debt to an institution based upon the amount and type of debt owed by the student and the purpose of the transcript request;
- permit an institution, under certain circumstances, to condition the provision of a transcript to a student on the student's agreement to enter into a good faith repayment plan and submission of the first payment on that plan;
- prohibit an institution from restricting or conditioning the provision of a transcript to a student who attests that the transcript is needed to apply for new student loans or to refinance existing student loans;
- establish a violation by an institution of the bill's provisions as an unlawful practice under the New Jersey consumer fraud act;
- provide that the bill's provisions will not apply to the release of transcripts to students who reside outside of the United States; and
- define "non-mandatory charges."