

SENATE, No. 3544

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED MARCH 11, 2021

Sponsored by:

Senator VIN GOPAL

District 11 (Monmouth)

Senator M. TERESA RUIZ

District 29 (Essex)

Co-Sponsored by:

Senator Codey

SYNOPSIS

Exempts proprietary institution licensed to offer academic degrees that has operated in State for at least 25 years from requirement to provide teach-out plan in event of potential closure.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/9/2021)

1 AN ACT concerning certain proprietary institutions licensed to offer
2 academic degrees and amending P.L. , c. (pending before the
3 Legislature as the Senate Committee Substitute for Senate Bill
4 Nos. 1271, 2588, and 2660 [First Reprint] and the Assembly
5 Committee Substitute for Assembly Bill No. 4409 [First Reprint]
6 of 2020-2021).

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

10
11 1. Section 8 of P.L. , c. (C.) (pending before the
12 Legislature as the Senate Committee Substitute for Senate Bill Nos.
13 1271, 2588, and 2660 [First Reprint] and the Assembly Committee
14 Substitute for Assembly Bill No. 4409 [First Reprint] of 2020-
15 2021) is amended to read as follows:

16 8. a. This section shall only apply to a proprietary institution
17 licensed to offer academic degrees that **【operates】** has operated in
18 this State for less than 25 years on the effective date of P.L. c.
19 (C.) (pending before the Legislature as the Senate Committee
20 Substitute for Senate Bill Nos. 1271, 2588, and 2660 [First Reprint]
21 and the Assembly Committee Substitute for Assembly Bill No.
22 4409 [First Reprint] of 2020-2021).

23 b. A proprietary institution licensed to offer academic degrees
24 shall provide the secretary a teach-out plan that addresses a
25 potential closure of the institution. The teach-out plan shall be
26 updated as required by the secretary.

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

29 (1) the institution shall make all reasonable efforts to ensure that
30 any closure of the institution complies with the requirements of
31 sections 9 through 12 of P.L. , c. (C.) (pending before the
32 Legislature as the Senate Committee Substitute for Senate Bill Nos.
33 1271, 2588, and 2660 [First Reprint] and the Assembly Committee
34 Substitute for Assembly Bill No. 4409 [First Reprint] of 2020-
35 2021);

36 (2) the chief executive officer and the members of the governing
37 body of the institution were not in an executive position or a
38 member of a governing body of an institution in which a disorderly
39 closure occurred; and

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

44 d. The Office of the Attorney General shall seek an injunction
45 or other judicial remedy against a proprietary institution licensed to

EXPLANATION – Matter enclosed in bold-faced brackets **【thus】** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 offer academic degrees that fails to comply with the requirements of
2 this section, including requiring the institution to refund all tuition
3 and fees paid by any student.

4
5 2. This act shall take effect on the date of enactment of P.L. ,
6 c. (pending before the Legislature as the Senate Committee
7 Substitute for Senate Bill Nos. 1271, 2588, and 2660 [First Reprint]
8 and the Assembly Committee Substitute for Assembly Bill No.
9 4409 [First Reprint] of 2020-2021) or September 1, 2021,
10 whichever is later.

11
12
13 STATEMENT

14
15 Under the Senate Committee Substitute (1R) for Senate Bill Nos.
16 1271, 2588, and 2660 and the Assembly Committee Substitute (1R)
17 for Assembly Bill No. 4409, which passed both Legislative houses
18 on January 11, 2021, a proprietary institution licensed to offer
19 academic degrees that operates in this State is required to provide
20 the Secretary of Higher Education with a teach-out plan that
21 addresses a potential closure of the institution. The teach-out plan
22 is to be updated as required by the secretary.

23 This bill provides that a proprietary institution licensed to offer
24 academic degrees that has operated in the State for at least 25 years
25 is exempt from the requirement to provide the secretary with a
26 teach-out plan in the event of its potential closure.