

[First Reprint]  
**SENATE, No. 3544**

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**STATE OF NEW JERSEY**  
**219th LEGISLATURE**

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INTRODUCED MARCH 11, 2021

**Sponsored by:**

**Senator VIN GOPAL**

**District 11 (Monmouth)**

**Senator M. TERESA RUIZ**

**District 29 (Essex)**

**Co-Sponsored by:**

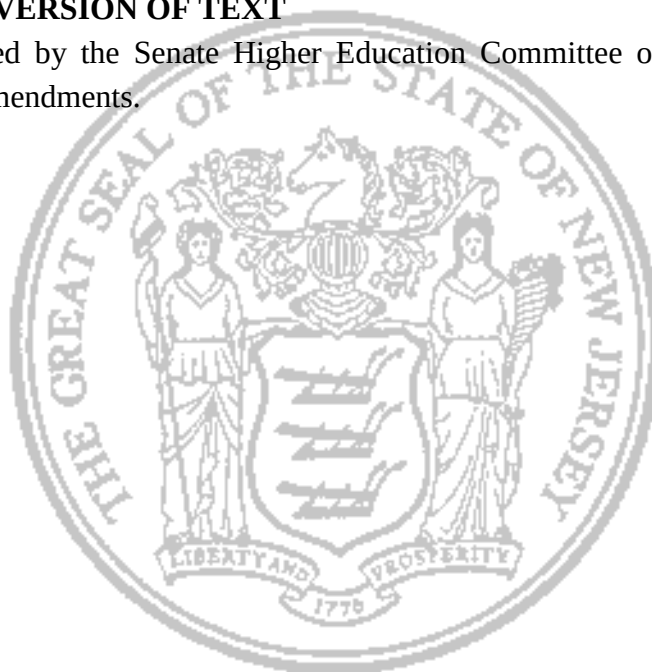
**Senator Codey**

**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 reported by the Senate Higher Education Committee on December 9, 2021, with amendments.



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

1 AN ACT concerning certain proprietary institutions licensed to offer  
 2 academic degrees and amending <sup>1</sup> [P.L. , c. (pending before  
 3 the Legislature as the Senate Committee Substitute for Senate  
 4 Bill Nos. 1271, 2588, and 2660 [First Reprint] and the Assembly  
 5 Committee Substitute for Assembly Bill No. 4409 [First Reprint]  
 6 of 2020-2021)] P.L.2021, c.27<sup>1</sup>.

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

10  
 11 1. Section 8 of <sup>1</sup> [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)] P.L.2021, c.27 (C.18A:3B-92)<sup>1</sup> is amended to read as  
 16 follows:

17 8. a. This section shall only apply to a proprietary institution  
 18 licensed to offer academic degrees that  **[operates]**  has operated in  
 19 this State for less than 25 years on the effective date of <sup>1</sup> [P.L. c.  
 20 (C. ) (pending before the Legislature as the Senate Committee  
 21 Substitute for Senate Bill Nos. 1271, 2588, and 2660 [First Reprint]  
 22 and the Assembly Committee Substitute for Assembly Bill No.  
 23 4409 [First Reprint] of 2020-2021)]<sup>1</sup> P.L.2021, c.27.

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

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

30 (1) the institution shall make all reasonable efforts to ensure that  
 31 any closure of the institution complies with the requirements of  
 32 sections 9 through 12 of <sup>1</sup> [P.L. , c. (C. ) (pending before the  
 33 Legislature as the Senate Committee Substitute for Senate Bill Nos.  
 34 1271, 2588, and 2660 [First Reprint] and the Assembly Committee  
 35 Substitute for Assembly Bill No. 4409 [First Reprint] of 2020-  
 36 2021)] P.L.2021, c.27 (C.18A:3B-93 through C.18A:3B-96)<sup>1</sup> ;

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

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

**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>Senate SHI committee amendments adopted December 9, 2021.

1       d. The Office of the Attorney General shall seek an injunction  
2 or other judicial remedy against a proprietary institution licensed to  
3 offer academic degrees that fails to comply with the requirements of  
4 this section, including requiring the institution to refund all tuition  
5 and fees paid by any student.  
6  
7       2. This act shall take effect <sup>1</sup>【on the date of enactment of  
8 P.L. , c. (pending before the Legislature as the Senate  
9 Committee Substitute for Senate Bill Nos. 1271, 2588, and 2660  
10 [First Reprint] and the Assembly Committee Substitute for  
11 Assembly Bill No. 4409 [First Reprint] of 2020-2021) or September  
12 1, 2021, whichever is later】 immediately<sup>1</sup>.