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SENATE, No. 3710

STATE OF NEW JERSEY

219th LEGISLATURE

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Sponsored by:
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SYNOPSIS

Requires certain institutions of higher education and degree-granting proprietary institutions to submit certain documentation on online program managers to Secretary of Higher Education.

CURRENT VERSION OF TEXT

As reported by the Senate Higher Education Committee on June 15, 2021, with amendments.

AN ACT concerning online program [1]**[**management companies**]** managers[1] in higher education and supplementing [1]**[**chapter 62 of **]**[1] Title 18A of the New Jersey Statutes.

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

1. As used in this act:

"Online program [1]**[**management company**]** manager[1]" means an entity that enters into a contract or agreement [1]related exclusively to online degree and certificate program delivery, including online programs with required in-person clinical and other instruction,[1] with an institution of higher education or a proprietary degree-granting institution to provide one or more of the following services on behalf of the institution in exchange for financial compensation: advertising and marketing services; recruiting, admissions, and financial services; instruction services; student support services; technology resources and support services; and curriculum development services.

2. a. Each institution of higher education and proprietary degree-granting institution [1]**[**eligible to receive student financial aid under a State student grant or scholarship program**]**[1] that enters into a contract or agreement with an online program [1]**[**management company**]** manager[1] shall submit an annual expenditure report to the Secretary of Higher Education concerning the spending activities of the online program [1]**[**management company**]** manager[1]. At a minimum, the annual expenditure report shall include:

(1) the information provided by the online program [1]**[**management company**]** manager[1] pursuant to subsection b. of this section;

(2) the total payments made by the institution to the online program [1]**[**management company**]** manager[1] during each semester of the prior academic year;

(3) the number of students who received State financial assistance during the prior academic year and were enrolled in each academic program for which the online program [1]**[**management company**]** manager[1] provided services; and

(4) the amount of State operating aid received by the institution, on a per-student basis, during the prior academic year, and the per-student amount provided to the online program [1]**[**management company**]** manager[1].

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:
[1]Senate SHI committee amendments adopted June 15, 2021.

b. An online program [1][management company] manager[1] that enters into a contract or agreement with an institution of higher education or a proprietary degree-granting institution [1][eligible to receive student financial aid under a State grant or scholarship program][1] shall submit an annual report to the chief financial officer of the institution detailing all expenditures made on behalf of the institution during the prior academic year. In addition to any other information required by the Secretary of Higher Education, the annual report shall specify the amounts expended by the online program [1][management company] manager[1] on each of the following categories of expenditure:

(1) advertising and marketing services;

(2) recruiting, admissions, and financial services;

(3) instruction services;

(4) student support services;

(5) technology resources and support services; and

(6) curriculum development materials.

c. The Secretary of Higher Education shall publish each annual expenditure report received pursuant to this section on the Internet website of the Office of the Secretary of Higher Education.

3. [1][An] Each[1] institution of higher education and proprietary degree-granting institution [1][eligible to receive student financial aid under a State student grant or scholarship program][1] that enters into a contract with an online program [1][management company] manager[1] shall submit a copy of the contract to the Secretary of Higher Education for review within 60 days following:

a. the execution of a new contract;

b. a substantive change in the terms of a contract;

c. the renewal of a contract; and

d. the effective date of this act, in the case of a contract in effect on the effective date of this act.

[1]4. a. Any information filed with the secretary pursuant to this act may be disclosed in accordance with P.L.1963, c.73 (C.47:1A-1 et seq.), except that confidential information shall not be disclosed by the secretary to any person other than employees and representatives of the Office of the Secretary of Higher Education.

b. An institution of higher education or proprietary degree-granting institution shall separately identify any confidential information filed with the office pursuant to this act. Any information that is not identified as confidential information shall be considered public information and subject to disclosure.

c. As used in this section, "confidential information" means information contained in a report or contract filed with the office pursuant to this act that has been certified by the General Counsel or

Chief Financial Officer preparing the filing as confidential or proprietary information.[1]

[1]**[**4.**]** 5.[1] The Secretary of Higher Education shall adopt rules and regulations pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), necessary to effectuate the provisions of this act.

[1]**[**5.**]** 6.[1] This act shall take effect immediately.