

# SENATE HIGHER EDUCATION COMMITTEE

## STATEMENT TO

### **SENATE, No. 3710**

with committee amendments

# STATE OF NEW JERSEY

DATED: JUNE 15, 2021

The Senate Higher Education Committee reports favorably Senate Bill No. 3710 with committee amendments.

As amended, this bill requires each institution of higher education and degree-granting proprietary institution that contracts with an online program manager (OPM) to submit an annual expenditure report to the Secretary of Higher Education concerning the spending activities of the company.

To assist in the preparation of this report, the bill requires the OPM to submit an annual report to 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, this report would be required to specify the amounts expended by the OPM 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.

Under the bill, the annual expenditure report submitted by the institution to the secretary would be required to include, at a minimum, the following information: (1) the information provided in the OPM's annual report; (2) the total payments made by the institution to the OPM 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 OPM 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 OPM.

The bill also requires the Secretary of Higher Education to publish each annual expenditure report on the Internet website of the Office of the Secretary of Higher Education.

Under this bill, an institution of higher education and proprietary degree-granting institution is required to submit a copy of any contract between the institution and an online program manager to the Secretary of Higher Education for review within 60 days following: (1) the execution of a new contract; (2) any

substantive change in contractual terms; (3) the renewal of a contract; and (4) for any contract currently in effect, the effective date of this bill.

The bill further provides that any information filed with the secretary pursuant to the bill's provisions may be disclosed in accordance with P.L.1963, c.73 (C.47:1A-1 et seq.), commonly referred to as the open public records act. An institution of higher education or proprietary degree-granting institution will be required to separately identify any confidential information filed with the office pursuant to the bill, and any information that is not identified as confidential information will be considered public information and subject to disclosure.

As used in the bill, "confidential information" is defined to include information contained in a report or contract filed with the office pursuant to the bill that has been certified by the General Counsel or Chief Financial Officer preparing the filing as confidential or proprietary information.

#### COMMITTEE AMENDMENTS:

The committee amended the bill to:

- eliminate reference to "online program management company" and insert reference to "online program manager";
- apply the bill's provisions to all institutions of higher education and proprietary degree-granting institutions. The bill, as introduced, was limited to institutions of higher education and proprietary degree-granting institutions that are eligible to receive student financial aid under a State grant or scholarship program;
- clarify that any information filed with the Secretary of Higher Education pursuant to the bill's provisions may be disclosed in accordance with the open public records act. An institution of higher education or proprietary degree-granting institution will be required to separately identify any confidential information filed with the office pursuant to the bill; and
- limit the definition of an online program manager to apply only to an OPM that enters into a contract or agreement with an institution that is related exclusively to online degree and certificate program delivery, including online programs with required in-person clinical and other instruction.