

CHAPTER 27

AN ACT concerning postsecondary education, amending various parts of the statutory law, and supplementing Title 18A of the New Jersey Statutes and P.L.1989, c.293 (C.34:15C-1 et seq.).

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

1. Section 8 of P.L.1994, c.48 (C.18A:3B-8) is amended to read as follows:

C.18A:3B-8 Responsibilities of council.

8. The council shall have the responsibility, consistent with State and federal law, to:

- a. provide public information and research on higher education issues;
- b. review and make recommendations to the Secretary of Higher Education concerning proposals for new programs that exceed the programmatic mission of an institution or that change the programmatic mission of an institution;
- c. review proposals for new programs that do not exceed the programmatic mission of the institution or require a change in the programmatic mission, according to standards established by the secretary through regulations promulgated pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), for the following:

- (1) sufficient academic quality;
- (2) sufficient evidence of labor market demand for the program;
- (3) duplication with comparable programs of study in the State; and
- (4) whether the proposed new program will require significant additional State resources.

If the council determines according to the review standards set by the secretary that a proposed new program may be of insufficient academic quality, may lack sufficient evidence of labor market demand, may be duplicative of comparable programs of study, or may be unduly expensive to the State, the council shall refer that proposal to the secretary for review pursuant to subsection f. of section 14 of P.L.1994, c.48 (C.18A:3B-14);

d. encourage the formation of regional or other alliances among institutions including interinstitutional transfers, program articulation, cooperative programs and shared resources and develop criteria for "full faith and credit" transfer agreements between county colleges and other institutions of higher education. The council shall also keep institutions apprised of the discontinuance of programs at other institutions and each president shall notify the council of any such action;

e. advise and assist the secretary in developing and updating a plan for higher education in the State including, but not limited to, the establishment of new institutions, closure of existing institutions and consolidation of institutions;

f. provide policy recommendations on Statewide higher education issues;

g. recommend to the Governor, Legislature and secretary on policy and overall levels of funding for student aid programs necessary to ensure accessibility to higher education;

h. transmit to the Governor, Legislature and secretary a general budget policy statement regarding overall State funding levels;

i. upon referral from the secretary pursuant to this act provide recommendations concerning institutional licensure and university status;

j. appoint subcommittees consisting of the presidents of the institutions of the various higher education sectors to decide matters, within the authority of the council. The presidents of the independent institutions shall develop a unified request for State support under chapter 72B of Title 18A of the New Jersey Statutes. The presidents of the county college sector shall develop a unified request for State support under chapter 64A of Title 18A of the New Jersey Statutes; and

k. consult with the Higher Education Student Assistance Authority concerning student assistance matters.

2. Section 14 of P.L.1994, c.48 (C.18A:3B-14) is amended to read as follows:

C.18A:3B-14 Responsibilities of Secretary of Higher Education.

14. The Secretary of Higher Education shall be responsible for:

a. Statewide planning for higher education including research on higher education issues and the development of a comprehensive master plan, including, but not limited to, the establishment of new institutions, closure of existing institutions, and consolidation of institutions, which plan shall be long-range in nature. Within 180 days of the effective date of P.L.2015, c.91 and, at a minimum, every seven years thereafter, the secretary shall adopt a new comprehensive master plan. The council may request the secretary to conduct a study of a particular issue. The secretary may require from institutions of higher education such reports or other information as may be necessary to enable the secretary to perform his duties;

b. advocacy on behalf of higher education including informing the public of the needs and accomplishments of higher education in New Jersey;

c. making recommendations to the Governor and Legislature on higher education initiatives and incentive programs of Statewide significance;

d. final administrative decisions over institutional licensure and university status giving due consideration to the accreditation status of the institution. The secretary shall furnish the Presidents' Council with any pertinent information compiled on behalf of the subject institution and the council shall then make recommendations to the secretary concerning the licensure of the institution or university status within sixty days of receipt of the information;

e. adopting a code of ethics applicable to institutions of higher education;

f. final administrative decisions over new academic programs that go beyond the programmatic mission of the institution and final administrative decisions over a change in the programmatic mission of an institution. In addition, within 60 days of referral of a proposed new program by the council, the secretary may deny approval of programs proposed by institutions of higher education which do not exceed the programmatic mission of the institution, but which may be of insufficient academic quality, may lack sufficient evidence of labor market demand, may be duplicative of comparable programs of study, or may be unduly expensive to the State as determined by the New Jersey Presidents' Council according to the review standards set by the secretary ;

g. reviewing requests for State support from the institutions in relation to the mission of the institution and Statewide goals and proposing a coordinated budget policy statement to the Governor and Legislature;

h. communicating with the State Board of Education and Commissioner of Education to advance public education at all levels including articulation between the public schools and higher education community;

i. applying for and accepting grants from the federal government, or any agency thereof, or grants, gifts or other contributions from any foundation, corporation, association or individual, and complying with the terms, conditions and limitations thereof, for the purpose of advancing higher education. Any money so received may be expended by the secretary upon warrant of the director of the Office of Management and Budget in the Department of the Treasury on vouchers certified by the secretary;

j. acting as the lead agent of communication with the federal government concerning higher education issues, except that the Higher Education Student Assistance Authority shall act, in cooperation with the secretary, as the lead agency on issues of student assistance;

k. exercising all of the powers and duties previously exercised by the Board of Higher Education, the Department of Higher Education, and the Chancellor of Higher Education, under the "New Jersey Higher Education Building Construction Bond Act of 1971," P.L.1971, c.164, the "New Jersey Medical Education Facilities Bond Act of 1977," P.L.1977, c.235, the "Jobs, Science and Technology Bond Act of 1984," P.L.1984, c.99, the "Jobs, Education and Competitiveness Bond Act of 1988," P.L.1988, c.78, the "Higher Education Equipment Leasing Fund Act," P.L.1993, c.136, and the "Higher Education Facilities Trust Fund Act," P.L.1993, c.375;

l. exercising any other power or responsibility necessary in order to carry out the provisions of this act;

m. consulting with the Higher Education Student Assistance Authority on student assistance matters;

n. advising and making recommendations for consideration to the Governor and the governing board of a public research university or a State college for members of that governing board appointed by the Governor; and

o. examining and recommending to institutions of higher education opportunities for joint purchasing and other joint arrangements that would be advantageous to the institutions.

3. Section 15 of P.L.1994, c.48 (C.18A:3B-15) is amended to read as follows:

C.18A:3B-15 Rules, regulations.

15. The secretary shall adopt rules and regulations, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), necessary to carry out the provisions of this act.

4. Section 20 of P.L.2009, c.308 (C.18A:3B-65) is amended to read as follows:

C.18A:3B-65 Plan for branch campus, additional location; definitions.

20. a. Subject to the approval of the Secretary of Higher Education, the governing board of a public research university or a State college may establish a branch campus. The governing board shall submit the plan for the branch campus to the secretary for review and approval. The plan shall be developed and reviewed according to standards established by the secretary through regulations promulgated pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

b. When the governing board, after study and investigation, determines that it is advisable for the institution to establish a branch campus or additional location out-of-State or out-of-country that will serve at least 100 students of the institution, the board shall include in the plan for the branch campus or additional location submitted to the secretary:

(1) a description of the higher educational needs of the country or region in which the branch campus or additional location shall be located;

(2) a description of the proposed branch campus or additional location and its proposed programs and curriculum;

(3) an estimate of the cost of establishing and maintaining the branch campus or additional location including the cost of any planned acquisition or construction of facilities;

(4) a commitment that the branch campus or additional location will comply with the provisions of P.L.1963, c.73 (C.47:1A-1 et seq.), commonly known as the open public records act; and

(5) any other information or data deemed necessary by the secretary.

c. In developing a response to the plan, the secretary shall consider whether there is a need for the institution to acquire a branch campus or additional location and whether the institution has the financial capacity to support the campus or additional location.

d. The secretary may approve the establishment of an out-of-State or out-of-country branch campus or additional location if the secretary determines that the branch campus or additional location:

(1) serves a compelling State interest;

(2) does not impose excessive costs or reputational risk to the State;

(3) does not impose a risk to the security interests of the State or federal government; and

(4) does not conflict with existing State or federal laws or regulations.

In making the determination, the secretary may utilize the assistance of an external consultant team, solicit comments from interested parties including faculty and members of professional staff not holding faculty rank at the public research university or State college, and conduct a site visit at the proposed site of the branch campus or additional location.

e. The governing board of a public research university or a State college shall fix the salary of all faculty and members of the professional staff not holding faculty rank performing services at an out-of-State or out-of-country branch campus or additional location, and the faculty and members shall be paid and provided benefits in the same manner as all other employees of the public research university or State college performing services on behalf of the public research university or State college within the State.

f. The cost for consultants utilized by the secretary and other out-of-pocket expenses incurred by the secretary for branch campus and related reviews shall be paid by the institution seeking to establish a branch campus or additional location.

g. The secretary shall adopt rules and regulations, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), necessary to carry out the provisions of this section.

h. When the governing board of an independent institution of higher education, after study and investigation, determines that it is advisable for the institution to establish a branch campus or additional location in the State that will serve at least 100 students of the institution, the board shall submit the plan for the branch campus or additional location to the secretary for review and comment. The plan shall be developed and reviewed according to standards established by the secretary through rules and regulations promulgated pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

i. As used in this section:

"Additional location" means a location, other than a branch campus, that is geographically apart from the main campus and at which the institution offers at least 50 percent of an educational program.

"Branch campus" means a physical facility located at a place other than the institution's principal campus offering one or more complete programs leading to a degree.

5. N.J.S.18A:68-3 is amended to read as follows:

Filing of copy of certificate of incorporation; fee schedules.

18A:68-3. a. No corporation shall furnish instruction or learning in the arts, sciences, or professions for the purposes of admitting any person to the grade of a degree, or shall confer or participate in conferring a degree, giving to any person a diploma of graduation or of proficiency in a course of study, in learning, or in scientific arts or methods, within this State, until it shall have filed a certified copy of its certificate of incorporation with the Secretary of Higher Education and obtained from the secretary a license to carry on the business under such rules as the secretary may prescribe.

b. The secretary shall prepare a fee schedule to cover the reasonable administrative costs associated with licensing procedures and submit the initial fee schedule to the Legislature for review. The secretary shall subsequently adopt, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), the fee schedule. Fees collected shall be deposited in the State Treasury.

c. The cost for consultants utilized by the Secretary of Higher Education and other out-of-pocket expenses incurred by the secretary for licensure and related reviews shall be paid by the institution seeking a license or license renewal.

C.18A:3B-90 Definitions relative to post-secondary education.

6. As used in sections 6 through 12 of P.L.2021, c.27 (C.18A:3B-90 through C.18A:3B-96):

"Closure" means the cessation of operations by an institution of higher education or a proprietary institution licensed to offer academic degrees.

"Secretary" means the Secretary of Higher Education.

"Disorderly closure" means a closure that does not meet the requirements of P.L.2021, c.27 (C.18A:3B-90 et al.).

"Eligible transfer institution" means an institution of higher education or a proprietary institution licensed to offer academic degrees that has been approved by the secretary pursuant to section 10 of P.L.2021, c.27 (C.18A:3B-94).

"Institutional debt" means:

(1) the amount outstanding on any credit, including unpaid charges, extended by or on behalf of an institution of higher education or a proprietary institution licensed to offer academic degrees that a student is obligated to repay, whether the amount has been reduced to a judgment or the institution classifies it as a loan; or

(2) a nonfederal loan or debt agreement that is issued expressly for postsecondary education expenses and that is guaranteed by an institution of higher education or a proprietary institution or a private educational lender that is affiliated with an institution of higher education or a proprietary institution.

"Institutional financial aid agreement" means any contract, promissory note, part of an enrollment agreement, or other agreement in which a student agrees to pay an institutional debt.

"Orderly closure" means a closure that meets the requirements of P.L.2021, c.27 (C.18A:3B-90 et al.).

"Student" means an individual enrolled at an institution of higher education or a proprietary institution licensed to offer academic degrees in New Jersey, or a New Jersey resident enrolled at an institution of higher education or proprietary institution located outside of this State.

“Teach-out agreement” means a written agreement between institutions that provides for the equitable treatment of students and a reasonable opportunity for students to complete their program of study if an institution, or an institutional location that provides 100 percent of at least one program offered, ceases to operate before all enrolled students have completed their program of study.

“Teach-out plan” means a written plan developed by the institution that provides for the equitable treatment of students if an institution, or an institutional location, ceases to operate before all students have completed their program of study, and may include, if required by the institution’s accrediting agency, a teach-out agreement between institutions.

C.18A:3B-91 Information provided to secretary.

7. a. An independent institution of higher education and a proprietary institution licensed to offer academic degrees shall immediately notify the secretary of any known financial liabilities or risks that are reasonably likely to result in the imminent closure of the institution or otherwise negatively affect the institution’s ability to fulfill its obligations to current and admitted students.

b. All independent institutions and proprietary institutions licensed to offer academic degrees shall submit an annual fiscal monitoring report to the secretary according to a schedule established by the secretary and in a format developed by the secretary.

c. The secretary shall establish a process to annually assess each independent institution’s and proprietary institution’s financial information to identify whether an institution is at risk of imminent closure. The assessment shall be based on a review of information received through the annual fiscal monitoring report. In addition to the annual report, the secretary may also conduct additional assessments at the secretary’s discretion to identify whether an institution is at risk of imminent closure.

d. If the secretary determines there is a risk of imminent closure, the determination and a summary of the basis for the determination shall be provided to the institution. Upon receipt of the determination and summary the institution shall immediately:

- (1) notify the secretary of any known liabilities, risks, or financial issues;
- (2) provide to the secretary any information necessary to accurately and fairly determine the institution’s financial status and likelihood of imminent closure and to monitor its condition;
- (3) prepare and submit to the secretary a contingency plan for closure, which shall include:
 - (a) a process to notify relevant stakeholders, as determined by the secretary including, but not limited to, enrolled students, candidates who have submitted applications, recent graduates, faculty, staff, and host communities;
 - (b) arrangements for the continued education of currently enrolled students via teach-out agreement or other practical solution;
 - (c) a plan for the transfer to and long-term maintenance of records, particularly student academic records, by a third-party if the institution closes;
 - (d) information about the rights and responsibilities of student loan borrowers;
 - (e) information about the institution’s financial condition, accreditation status, and any outstanding compliance issues regarding federal and State student aid programs; and
 - (f) confirmation that the institution has obtained either a surety bond or letter of credit to refund student enrollment deposits and for the cost to maintain student records by a third-party.

e. Upon a finding by the secretary that an institution has failed to comply with the requirements of this section, the secretary shall have the authority to order:

- (1) a fine not to exceed \$1,000 per day of non-compliance with the requirements of this section;
- (2) the suspension of any State funding designated for the institution; and
- (3) the suspension or revocation of any degree-granting authority previously conferred on the institution.

f. Any information submitted to, or developed by, the secretary in furtherance of this section shall not be a public record and shall be exempt from disclosure under provisions of P.L.1963, c.73 (C.47:1A-1 et seq.), commonly known as the open public records act.

C.18A:3B-92 Applicability of section.

8. a. This section shall apply to a proprietary institution licensed to offer academic degrees that operates in this State.

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

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

- (1) the institution shall make all reasonable efforts to ensure that any closure of the institution complies with the requirements of sections 9 through 12 of P.L.2021, c.27 (C.18A:3B-93 through C.18A:3B-96);
- (2) the chief executive officer and the members of the governing body of the institution were not in an executive position or a member of a governing body of an institution in which a disorderly closure occurred; and
- (3) any institutional financial aid agreement offered to a student shall contain language stating that, in the event of a disorderly closure, the institutional debt shall be void and shall not be recovered, collected, or enforced.

d. The Office of the Attorney General shall seek an injunction or other judicial remedy against a proprietary institution licensed to offer academic degrees that fails to comply with the requirements of this section, including requiring the institution to refund all tuition and fees paid by any student.

C.18A:3B-93 Applicability of C.18A:3B-93 through C.18A:3B-96.

9. a. Sections 9 through 12 of P.L.2021, c.27 (C.18A:3B-93 through C.18A:3B-96) shall apply to an institution of higher education or a proprietary institution licensed to offer academic degrees that operates in this State.

b. An institution of higher education or a proprietary institution licensed to offer academic degrees shall enter into a school-to-school teach-out agreement at least 120 days prior to the cessation of institution operations.

c. In order to satisfy the requirements of this section, a school-to-school teach-out agreement shall:

- (1) be arranged by the closing institution;
- (2) be agreed to by an eligible transfer institution, the closing institution, and the secretary;
- (3) unless waived for good cause by the secretary, specify that the eligible transfer institution shall:

- (a) be located within a reasonable distance of the closing institution, if the closing institution has a physical presence in the State;
- (b) accept the transfer of all completed credits from students affected by the closure; and
- (c) allow a student affected by the closure to complete the student's program with substantially the same number of credit hours as was required by the closing institution;
- (4) specify that, on request by a student affected by the closure, the closing institution shall provide a complete academic record and an official transcript to the student at no cost to the student; and
- (5) meet any other standards as deemed appropriate by the secretary.

C.18A:3B-94 Approval as eligible transfer institution.

10. a. The Secretary of Higher Education shall approve an institution of higher education or a proprietary institution licensed to offer academic degrees to act as an eligible transfer institution if the institution:

- (1) is in good standing with its accreditor and, if applicable, its licensing body;
- (2) if applicable, has not been sanctioned by the United States Department of Education due to having a high cohort loan default rate;
- (3) has not been placed on Heightened Cash Monitoring Payment Method Level 2 by the United States Department of Education;
- (4) within the previous five years has not had any judgments related to a consumer protection law entered against it in favor of a law enforcement agency; and
- (5) meets the requirements provided in section 9 of P.L.2021, c.27 (C.18A:3B-93), and any additional standards provided pursuant to subsection b. of this section.

b. The secretary may establish additional standards on a case-by-case basis for approving an eligible transfer institution.

C.18A:3B-95 Filing of certain records.

11. a. Before any institution of higher education or proprietary institution licensed to offer academic degrees ceases educational instruction or administrative operation, the institution shall file with the eligible transfer institution or a third-party approved by the secretary copies of all essential records of the current or former students of the institution. The obligation of an institution under this section shall not be discharged in bankruptcy.

b. If an institution of higher education or a proprietary institution licensed to offer academic degrees does not file all essential records in accordance with this section, the Office of the Attorney General may:

- (1) require the institution to refund all tuition and fees paid by a student whose records are not filed in accordance with this section; and
- (2) seek an injunction or other judicial remedy against the institution or school.

C.18A:3B-96 Unlawful practice, violation.

12. a. It shall be an unlawful practice and a violation of P.L.1960, c.39 (C.56:8-1 et seq.) for any institution of higher education, proprietary institution licensed to offer academic degrees, person, or entity to collect on a student's institutional debt if the institutional financial aid agreement does not contain the language required under paragraph (3) of subsection c. of section 8 of P.L.2021, c.27 (C.18A:3B-92).

b. It shall be an unlawful practice and a violation of P.L.1960, c.39 (C.56:8-1 et seq.) for an institution of higher education or proprietary institution licensed to offer academic

degrees to collect on the institutional debt of a student who attended a program in which a disorderly closure occurred.

C.18A:3B-97 Rules, regulations.

13. 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.), to effectuate the purposes of sections 6 through 12 of P.L.2021, c.27 (C.18A:3B-90 through C.18A:3B-96).

C.34:15C-10.3 Definitions.

14. As used in sections 14 through 20 of P.L.2021, c.27 (C.34:15C-10.3 through C.34:15C-10.9):

“Closure” means the cessation of operations by a private career school.

“Commissioner” means the Commissioner of Labor and Workforce Development.

“Disorderly closure” means a closure that does not meet the requirements of P.L.2021, c.27 (C.18A:3B-90 et al.).

“Eligible transfer institution” means a private career school that has been approved by the commissioner pursuant to section 17 of P.L.2021, c.27 (C.34:15C-10.6).

“Institutional debt” means:

(1) the amount outstanding on any credit, including unpaid charges, extended by or on behalf of a private career school that a student is obligated to repay, whether the amount has been reduced to a judgment or the school classifies it as a loan; or

(2) a nonfederal loan or debt agreement that is issued expressly for postsecondary education expenses and that is guaranteed by a private career school or a private educational lender that is affiliated with a private career school.

“Institutional financial aid agreement” means any contract, promissory note, part of an enrollment agreement, or other agreement in which a student agrees to pay an institutional debt.

“Orderly closure” means a closure that meets the requirements of P.L.2021, c.27 (C.18A:3B-90 et al.).

“Private career school” means a privately owned and privately operated postsecondary school, other than an institution of higher education or proprietary institution licensed to offer academic degrees, that furnishes or offers to furnish programs, whether or not requiring a payment of tuition or fee, for the purpose of training, retraining, or upgrading individuals for gainful employment as workers in recognized or emerging occupations.

“Student” means an individual enrolled at a private career school in New Jersey, or a New Jersey resident enrolled at a private career school located outside of this State.

“Teach-out agreement” means a written agreement between schools that provides for the equitable treatment of students and a reasonable opportunity for students to complete their program of study if a school, or a school location that provides 100 percent of at least one program offered, ceases to operate before all enrolled students have completed their program of study.

“Teach-out plan” means a written plan developed by the school that provides for the equitable treatment of students if a school, or a school location, ceases to operate before all students have completed their program of study, and may include, if required by the school’s accrediting agency, a teach-out agreement between schools.

C.34:15C-10.4 Applicability.

15. a. Sections 14 through 20 of P.L.2021, c.27 (C.34:15C-10.3 through C.34:15C-10.9) shall apply to a private career school that operates in this State.

b. A private career school shall provide the commissioner a teach-out plan that addresses a potential closure of the school. The teach-out plan shall be updated as required by the commissioner.

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

(1) the school shall make all reasonable efforts to ensure that any closure of a school complies with the requirements of P.L.2021, c.27 (C.18A:3B-90 et al.);

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

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

d. The commissioner shall seek an injunction or other judicial remedy against a private career school that fails to comply with the requirements of this section, including requiring the school to refund all tuition and fees paid by any student.

C.34:15C-10. Private career school entrance into school-to-school teach-out agreement.

16. a. A private career school shall enter into a school-to-school teach-out agreement at least 120 days prior to the cessation of school operations.

b. In order to satisfy the requirements of this section, a school-to-school teach-out agreement shall:

(1) be arranged by the closing private career school;

(2) be agreed to by an eligible transfer institution, the closing private career school, and the commissioner; and

(3) unless waived for good cause by the commissioner, specify that the eligible transfer institution shall:

(a) be located within a reasonable distance of the closing school, if the closing school has a physical presence in the State;

(b) accept the transfer of all completed credits from students affected by the closure; and

(c) allow a student affected by the closure to complete the student's program with substantially the same number of credit hours as was required by the closing school; and

(4) not charge a student tuition or fees in excess of the lesser of:

(a) the remaining amount that a student affected by the closure would have paid to the closing school to complete the program; or

(b) the transfer institution's applicable tuition and fees; and

(5) specify that, on request by a student affected by the closure, the closing school shall provide a complete academic record and an official transcript to the student at no cost to the student.

C.34:15C-10.6 Approval of private career school to act as eligible transfer institution.

17. a. The Commissioner of Labor and Workforce Development shall approve a private career school to act as an eligible transfer institution if the school:

(1) is in good standing with its accreditor and, if applicable, its licensing body;

(2) if applicable, has not been sanctioned by the United States Department of Education due to having a high cohort loan default rate;

(3) has not been placed on Heightened Cash Monitoring Payment Method Level 2 by the United States Department of Education;

(4) within the previous five years, has not entered into any settlement agreements related to a consumer protection law with a law enforcement agency, or had any judgments related to a consumer protection law entered against it in favor of a law enforcement agency; and

(5) meets the requirements provided in section 16 of P.L.2021, c.27 (C.34:15C-10.5), and any additional standards provided pursuant to subsection b. of this section.

b. The commissioner may establish additional standards on a case-by-case basis for approving an eligible transfer institution.

C.34:15C-10.7 Essential records filed by private career school.

18. a. Before any private career school ceases operations, the school shall file with the commissioner copies of all essential records of the current or former students of the school. The obligation of a school under this section shall not be discharged in bankruptcy.

b. The records shall present, as separate documents:

(1) the official academic transcript of each student;

(2) any other academic information usually required by private career schools when considering students for transfer or advanced study; and

(3) if requested by the commissioner, the financial aid and financial account information of each student.

c. The records shall be accompanied by an affidavit as to the accuracy and completeness of the records on behalf of the school's board of trustees, bursar, chief administrative officer, chief executive officer, chief financial officer, or registrar.

d. The commissioner shall maintain a permanent file of all records filed with the commissioner under this section.

e. (1) If a student who attended a private career school that closed in accordance with P.L.2021, c.27 (C.18A:3B-90 et al.) requests a copy of the student's official academic transcript from the commissioner and the commissioner determines that the requested transcript is missing, incomplete, or in a format inaccessible to the student, the commissioner may issue a replacement transcript for the student based solely on the most recent information provided by the school that the student attended.

(2) A replacement transcript issued in accordance with paragraph (1) of this subsection shall be signed by a designee of the commissioner, contain an explanation of the closure of the school, and contain an explanation of the source of all information contained in the replacement transcript.

f. (1) Except as provided in paragraph (2) of this subsection, a replacement transcript issued in accordance with this section shall be accepted as an official transcript by any private career school operating in the State.

(2) For purposes of student transfer, a private career school may consider, instead of or in addition to a replacement transcript, an unofficial transcript or other transcript information provided by the student that the receiving institution or program deems relevant.

g. (1) The commissioner shall adopt regulations necessary to carry out the provisions of this section, which shall include the manner and format in which student records are to be filed with the commissioner, and a description of the circumstances under which a private career school may cease operation.

h. If a private career school does not file all essential records with the commissioner in accordance with this section, the commissioner may:

- (1) require the school to refund all tuition and fees paid by a student whose records are not filed in accordance with this section; and
- (2) seek an injunction or other judicial remedy against the private career school.

C.34:15C-10.8 Unlawful practice, violation.

19. a. It shall be an unlawful practice and a violation of P.L.1960, c.39 (C.56:8-1 et seq.) for any private career school, person, or entity to collect on a student's institutional debt if the institutional financial aid agreement does not contain the language required under paragraph (3) of subsection c. of section 15 of P.L.2021, c.27 (C.34:15C-10.4).

b. It shall be an unlawful practice and a violation of P.L.1960, c.39 (C.56:8-1 et seq.) for a private career school to collect on the institutional debt of a student who attended a program in which a disorderly closure occurred.

C.34:15C-10.9 Rules, regulations.

20. The Commissioner of Labor and Workforce Development, in consultation with the Commissioner of Education, shall adopt rules and regulations pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to effectuate the purposes of sections 14 through 19 of P.L.2021, c.27 (C.34:15C-10.3 through C.34:15C-10.8).

21. This act shall take effect on September 1, 2021.

Approved March 1, 2021.