SENATE, No. 3163



STATE OF NEW JERSEY

220th LEGISLATURE



INTRODUCED OCTOBER 3, 2022

Sponsored by:

Senator JOSEPH P. CRYAN

District 20 (Union)

SYNOPSIS

Clarifies that law concerning requirements for closure of private career school applies to certain schools licensed by New Jersey State Board of Cosmetology and Hairstyling.

CURRENT VERSION OF TEXT

As introduced.



An Act concerning private career schools and amending P.L.2021, c.27.

Be It Enacted by the Senate and General Assembly of the State of New Jersey:

1. Section 14 of P.L.2021, c.27 (C.34:15C-10.3) is amended to read as follows:

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. “Private career school” shall include a privately owned and privately operated postsecondary school, other than an institution of higher education or proprietary institution licensed to offer academic degrees, licensed by the New Jersey State Board of Cosmetology and Hairstyling for the purpose of teaching cosmetology and hairstyling, beauty culture, barbering, manicuring, hair braiding, skin care specialty, or any other specialty the board may be authorized to regulate, to registered students.

"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.

(cf: P.L.2021, c.27, s.14)

2. This act shall take effect immediately, and shall apply retroactively to September 1, 2021.

STATEMENT

This bill clarifies that the provisions of current law concerning requirements for the closure of private career schools that operate in the State also apply to certain schools licensed by the New Jersey State Board of Cosmetology and Hairstyling.

The bill clarifies that privately owned and privately operated postsecondary schools, other than institutions of higher education or proprietary institution licensed to offer academic degrees, licensed by the New Jersey State Board of Cosmetology and Hairstyling for the purpose of teaching cosmetology and hairstyling, beauty culture, barbering, manicuring, hair braiding or skin care specialty to registered students, must file teach-out plans that address potential school closures with Commissioner of Labor and Workforce Development.

This bill is meant to address the abrupt closure of Capri Institute, a school licensed by the New Jersey State Board of Cosmetology and Hairstyling with several locations in the State, as well as similar closures that could occur in the future. When Capri Institute closed, many students were left with institutional debt and no way to access their transcripts. If the school had entered into a teach-out agreement, as required by the private career school law, Capri Institute would have been required to arrange for transfer of the students to an eligible transfer institute approved by the commissioner and provide students with a complete academic record and official transcripts.

This bill clarifies that the private career school law’s teach-out agreement requirement applies to schools licensed by the New Jersey State Board of Cosmetology and Hairstyling. The bill’s effective date is retroactive to September 1, 2021, the effective date of that law, P.L.2021, c.27.