

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.



1 AN ACT concerning private career schools and amending P.L.2021,
2 c.27.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. Section 14 of P.L.2021, c.27 (C.34:15C-10.3) is amended to
8 read as follows:

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

11 "Closure" means the cessation of operations by a private career
12 school.

13 "Commissioner" means the Commissioner of Labor and
14 Workforce Development.

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

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

20 "Institutional debt" means:

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

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

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

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

34 "Private career school" means a privately owned and privately
35 operated postsecondary school, other than an institution of higher
36 education or proprietary institution licensed to offer academic
37 degrees, that furnishes or offers to furnish programs, whether or not
38 requiring a payment of tuition or fee, for the purpose of training,
39 retraining, or upgrading individuals for gainful employment as
40 workers in recognized or emerging occupations. "Private career
41 school" shall include a privately owned and privately operated
42 postsecondary school, other than an institution of higher education
43 or proprietary institution licensed to offer academic degrees,
44 licensed by the New Jersey State Board of Cosmetology and
45 Hairstyling for the purpose of teaching cosmetology and hairstyling.

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.

1 beauty culture, barbering, manicuring, hair braiding, skin care
2 specialty, or any other specialty the board may be authorized to
3 regulate, to registered students.

4 "Student" means an individual enrolled at a private career school
5 in New Jersey, or a New Jersey resident enrolled at a private career
6 school located outside of this State.

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

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

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

20
21 2. This act shall take effect immediately, and shall apply
22 retroactively to September 1, 2021.

23 24 25 STATEMENT

26
27 This bill clarifies that the provisions of current law concerning
28 requirements for the closure of private career schools that operate in
29 the State also apply to certain schools licensed by the New Jersey
30 State Board of Cosmetology and Hairstyling.

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

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

1 commissioner and provide students with a complete academic
2 record and official transcripts.

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