

Governor Phil Murphy

# Governor Murphy Signs Bill to Protect Students from Unsustainable Debt After Completing Post-Secondary Job Training

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*New Consumer Protection Law Will Ensure Tuition at Career-Oriented Higher Educational Programs Can be Affordably Repaid with the Expected Wages in the Occupations Students Trained For*

**TRENTON** – Governor Phil Murphy today signed legislation (A-1695) (https://urldefense.com/v3/\_https://t.e2ma.net/click/j0dsrh/7ys5259b/zwhhoy\_!!J30X0ZmC1oQtBAI.Nen1tpakKxI0KJDFmYww45yXeM95cfxZqsytC739tNKKL8NYnhjFzuG\_9ZAYXB3ADks) to help protect students from unreasonably high tuition rates that would be difficult to repay based on the wages they are likely to earn after completing a career-oriented educational or training program. The bill will require the Office of the Secretary of Higher Education (OSHE) and Department of Labor (DOL) to establish performance quality standards for career-oriented programs of study offered by postsecondary institutions.

"Higher education programs that are designed to prepare students for a specific occupation should offer both high-quality training and affordable costs based on the wages that program graduates are likely to earn," said **Governor Murphy**. "By establishing performance quality standards for career-oriented education and training programs, we will guard students against unreasonable student loan debt that they simply cannot repay with the typical wages in the career for which they studied. This is an important step I am proud to take as my Administration continues our work of making higher education more affordable for everyone in our state."

"This legislation, by raising academic program quality standards and strengthening consumer protections, is a significant step towards advancing New Jersey's higher education goals and the State's vision for increased student attainment," said **Dr. Brian K. Bridges, Secretary of Higher Education**. "By establishing this framework to assess the outcomes for students in career-oriented programs, New Jersey will serve as a model for other states and send a clear signal to stakeholders that the Garden State is taking direct action to improve student outcomes by holding institutions accountable for the education they deliver."

"We're proud to have these gainful employment standards in New Jersey," said **Labor Commissioner Robert Asaro-Angelo**. "Now we're better able to protect the thousands of people seeking training to advance their careers and, at the same time, the hundreds of training providers that play by the rules and prepare their students for work without taking advantage of them. No one should have to borrow so much for career training that they can't afford to pay it back once they are working at the job they prepared for."

"This important legislation will protect students from incurring unsustainable debt in education and training programs designed for specific occupations," said **David J. Socolow, Executive Director of the Higher Education Student Assistance Authority (HESAA)**. "In addition, it will safeguard New Jersey's student assistance grants by eliminating funding for courses of study with tuition rates that are out of line with the wages that students would reasonably expect to earn after completing the program."

"Higher education has long been a ladder to prosperity and success, and for many New Jersey students, paying for that education is one of the biggest financial investments they will make," said **Acting Attorney General Matthew J. Platkin**. "The legislation signed into law today by Governor Murphy will help ensure students get a fair return on that investment by requiring institutions of higher education to deliver quality programs that will advance students' opportunities."

"The success of New Jersey students as they journey through preschool to grade 12 and advance to higher education directly correlates to a competent future for the State," said **Dr. Allen-McMillan, Acting Commissioner of Education**. "This bill ensures transparency in the performance quality standards for career-oriented programs of study offered by institutions of higher education, degree-granting proprietary institutions, and private career schools so that students remain informed as they make important decisions to benefit their future career path."

In recognition of the difficulties graduates will face in paying back student loans if their tuition rate is not commensurate with the wages they will likely receive upon graduating, the law will set standards based on the ratio of the program's tuition compared to the typical earnings of the specific, identifiable occupation for which the program is designed to prepare students. OSHE and DOL will enforce these performance quality standards as appropriate for any career-oriented postsecondary education or training program at an institution licensed or approved by the State.

The standards will apply to both credit and non-credit based career-oriented programs at all postsecondary institutions, including two- and four-year public colleges, private non-profit independent institutions, and proprietary institutions.

Primary sponsors of the bill include Senators Joseph Cryan and Sandra Cunningham, as well as Assemblywomen Mila Jasey, Annette Quijano, and Britnee N. Timberlake.

"The cost of a college degree and job training schools is a significant expense meant to be an investment in their future career opportunities," said **Senator Cryan**. "But these costs can leave them burdened with debt that can be disproportionate to their income potential. They deserve to know what they are paying for and what they can afford."

"Too many students already struggle to pay off their student loan debt and that stands in the way of their financial security well into their adult lives," said **Assemblywoman Jasey**. "Institutions must take into consideration the cost of a program as compared with a student's anticipated earnings in their chosen career or profession. Through the new law, reasonable performance quality standards will be set, preventing career-oriented courses of study from overcharging students for programs and incurring debt for which they will not earn sufficient salaries to repay."

"We commend Governor Murphy, the bill sponsors, and our State legislators for their commitment to addressing a root cause behind the student debt crisis that has saddled New Jerseyans with almost \$50 billion in outstanding loans," said **New Jersey Citizen Action Financial Justice Director Beverly Brown Ruggia**. "This legislation sets a national precedent for creating transparency and ethical standards for training schools and career schools operating in New Jersey. It will ensure these programs are of good quality and priced according to the potential earnings of their graduates."

## Governor Phil Murphy

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