

location in the State that will serve at least 100 students of the institution shall submit a plan for the branch campus or additional location for review and comment by the Secretary. The plan for the branch campus shall include all the information required at N.J.A.C. 9A:1-6.2(b)1 through 7.

(b) The Secretary shall provide written comments on the plan to the independent institution within 60 days of the submission of the plan.

9A:1-6.5 (No change in text.)

SUBCHAPTER 9. INSTITUTIONAL CLOSURE

9A:1-9.1 General procedures for institutional closure

(a) An institution that plans to cease operations or whose licensure has been revoked shall submit to the Secretary a plan for institutional closure, which must include the following:

1. The planned date of termination of operations;
2. A plan to continually notify relevant stakeholders of pertinent information related to the institution’s closure as the information becomes available. Relevant stakeholders include, but are not limited to, the Secretary, enrolled students, admitted students, candidates who have submitted applications where no determination has been made, recent graduates, graduates that maintain institutional debt, faculty, staff, host communities, including the applicable municipal and county government(s), the elected State representative and senator in the legislative district where the institution is located, the chairpersons of the State Senate and Assembly Higher Education Committees, and the New Jersey Commissioner of the Department of Labor and Workforce Development;
3. A plan for the transfer and long-term maintenance of all essential records, particularly, but not limited to, academic records of current and former students, by a third-party or parties before the licensed institution ceases operations. Such a plan should include, at a minimum, the following:
 - i. The planned date and receiving location for the transfer of student records;
 - ii. The name and address of the third-party organization(s) or eligible transfer institution(s) to receive and manage the student records; and
 - iii. The contact information of the third-party official(s) who is/are designated to manage transcript requests.
4. Arrangements for the continued education of currently enrolled students through a teach-out agreement developed pursuant to N.J.A.C. 9A:1-9.2, or other practical solution; and
5. Evidence of communication with the New Jersey Higher Education Student Assistance Authority and the U.S. Department of Education regarding the appropriate actions concerning State grants and scholarships, State loans, Federal grants and scholarships, and Federal loans, as applicable.

9A:1-9.2 Teach-out agreements

(a) An institution shall enter into a school-to-school teach-out agreement at least 120 days prior to the cessation of institutional operations. This teach-out agreement shall:

1. Be arranged by the closing institution;
2. Be agreed to by an eligible transfer institution or institutions, the closing institution, and the Secretary;
3. Unless waived for good cause by the Secretary, specify that the eligible transfer institution(s) shall:
 - i. Be located within a reasonable distance of the closing institution, if the closing institution has a physical presence in the State;
 - ii. Accept the transfer of all completed credits from students affected by the closure; and
 - iii. 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; and
4. Specify that, upon 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.

9A:1-9.3 Teach-out plan requirements for proprietary institutions

(a) A proprietary institution 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, and shall include:

1. The requirements for a plan for institutional closure pursuant to N.J.A.C. 9A:1-9.1(a);

2. A statement that the institution shall make all reasonable efforts to ensure that any closure of the institution complies with the requirements at P.L. 2021, c. 27;

3. A statement that the chief executive officer and the members of the governing body of the institution providing the teach-out plan to the Secretary were not previously in an executive position or a member of a governing body of an institution in which a disorderly closure occurred; and

4. A statement that 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.

9A:1-9.4 Contingency plan for closure

(a) If, pursuant to N.J.A.C. 9A:2-1, the Secretary determines that an institution is required to submit a contingency plan for closure to OSHE, the contingency plan for closure, shall include:

1. The requirements of a plan for institutional closure pursuant to N.J.A.C. 9A:1-9.1(a);
2. Information about the rights and responsibilities of student loan borrowers;
3. Information about the institution’s financial condition, accreditation status, and any outstanding compliance issues regarding Federal and State student aid programs; and
4. Confirmation that the institution has obtained either a surety bond or letter of credit to refund student enrollment deposits and to pay the cost to maintain student records by a third-party or parties.

(a)

HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

Student Loan and College Savings Programs Policy Governing New Jersey Better Educational Savings Trust (NJBEST) Program

Adopted New Rule: N.J.A.C. 9A:10-7.22

Specialty Adopted and Concurrently Proposed: August 16, 2021, at 53 N.J.R. 1402(a).

Adopted: January 26, 2022, by the Higher Education Student Assistance Authority, Christy Van Horn, Chairperson.

Filed: February 9, 2022, as R.2022 d.036, **without change**.

Authority: N.J.S.A. 18A:71A-1 et seq., and 18A:71C-35 et seq.; and P.L. 2021, c. 128.

Effective Date: February 9, 2022.

Expiration Date: October 26, 2023.

Summary of Public Comment and Agency Response:

The comment period officially ended on October 15, 2021. **The Higher Education Student Assistance Authority received no comments.**

Federal Standards Statement

A Federal standards analysis is not required since the adopted rules are not subject to any Federal requirements or standards.

Full text of the adoption follows:

SUBCHAPTER 7. POLICY GOVERNING NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST (NJBEST) PROGRAM

9A:10-7.22 Eligibility for NJBEST Matching Grant Program

(a) For accounts opened on or after June 29, 2021, the Authority will provide a one-time grant of up to \$750.00 in a dollar-for-dollar match of an account owner’s initial deposit into an NJBEST 529 College Savings Plan account provided:

- 1. The account owner’s household adjusted gross income does not exceed \$75,000;
- 2. The NJBEST 529 College Savings Plan account remains open and maintains up to \$750.00 of the initial contribution for a minimum of three years following initial contribution into the contributor’s account, or the matching grant funds will be forfeited back to the Authority; and
- 3. Sufficient funds are available to finance the matching grants from direct State appropriations to the Authority or from NJBEST administrative fees, the availability of which shall be determined annually by the Authority Board. The amount of the administrative fees shall not be increased to fund the matching grants.

(b) The Authority will match contributions into no more than one account per beneficiary.

(c) To receive matching grants from the Authority, account owners must apply online on the Authority’s website within one year of opening their NJBEST account and must submit their Internal Revenue Service tax return transcripts for the year prior to the application year to verify income. If no tax returns were filed for the year requested, account owners may provide the Authority with documented proof, received through a Federal or State agency, of taxable and/or untaxed income, including, but not limited to, an IRS tax and wage transcript, receipt of unemployment insurance benefit payments, child support, alimony, welfare payments, Social Security benefits, SSI, or one benefit from any of the following Federal programs: SNAP, TANF, WIC, or housing assistance.

1. In the event there are insufficient funds available to match the contributions of all applicants, the Authority will select participants for the matching grant program by order of when the application was received.

(d) Within 60 days of approving an account owner’s application, the Authority will provide the NJBEST Investment Manager with the matching NJBEST Grant. The Investment Manager will deposit those funds into an escrow account. After three years if the account holder meets the requirements at (a)2 above, then the balance of the matching grant and any earned interest will be transferred from the escrow account to the account holder’s account.

(e) To be eligible for the matching grant program, the account owner must be a New Jersey resident.

(a)

SECRETARY OF HIGHER EDUCATION
Rules and Procedures for Implementation of the
Higher Education Capital Improvement Fund Act
Readoption with Amendments: N.J.A.C. 9A:12
Adopted New Rule: N.J.A.C. 9A:12-1.8

Proposed: July 19, 2021, at 53 N.J.R. 1207(a).
 Adopted: February 10, 2022, by Dr. Brian K. Bridges, Secretary of Higher Education, Office of the Secretary of Higher Education.
 Filed: February 10, 2022, as R.2022 d.037, **without change**.
 Authority: N.J.S.A. 18A:72A-1 et seq., and P.L. 2012, c. 42.
 Effective Dates: February 10, 2022, Readoption;
 March 7, 2022, Amendments and New Rule.
 Expiration Date: February 10, 2029.

Summary of Public Comment and Agency Response:
 COMMENT: “jean publee jean” commented that: “Allegedly, public universities have no money to do their maintenance, however they pay inflated salaries to coaches and university presidents, as well as others. Almost \$500,000 to Rutgers president. \$2 million plus to coach of the football team. There is money in these universities to pay for maintenance if they didn’t waste it on this, as well as spending time on propaganda to achieve their aims.

I do not think the regular taxpayers of NJ should be bankrupted for these additional funds of \$550 million for the overspending going on at Rutgers, Montclair, William Paterson, Stockton, etc.

They are a disgrace in their overspending. Clearly we have many citizens in NJ who can hardly stay alive and pay rent and buy food and yet we have these dilettantes in education taking it all for themselves in the most greedy way possible. No, I do not agree with his proposal at all.

Let’s see some money come out of the out of control spending at Rutgers, Montclair, Stockton, etc.”

RESPONSE: The Office of the Secretary of Higher Education (Office) disagrees with the comments submitted by the commenter. The purpose of the new rules is to implement the provisions in the Higher Education Capital Improvement Fund Act, N.J.S.A. 18A:72A-74 et seq. (the Act), which was established by the Legislature in 1999 to provide funds to renew, renovate, improve, expand, construct, and reconstruct facilities and technology infrastructure at New Jersey’s four-year public and private institutions of higher education. The purpose of the readoption of these rules with amendments is to provide greater opportunities for institutions to take advantage of this funding in future solicitations. The new rules will advance important State goals for higher education, as well as allow institutions to utilize these funds to remediate current issues on New Jersey’s college campuses and invest in the future.

Notably, the funds associated with the issuance of bonds from the Capital Improvement Fund are not generated from taxpayer dollars. The funds available to provide grants to institutions are generated from the interest and investment earnings received on moneys in the Capital Improvement Fund; the last direct appropriation to the fund was in 1999. The last issuance of funds was in 2015 and the balance that remained generated the current issuing capacity. A competitive grant application process will be used to allow all four-year institutions in the State of New Jersey access to these resources.

In addition, the funds associated with the Capital Improvement Fund are intended to support and revitalize New Jersey’s higher education facilities. The lack of an issuance will only result in greater accrued balances while the needs demonstrated across the State, especially those that the pandemic has brought to light, continue to grow. Providing institutions with this additional mechanism to finance needed improvements helps to prevent institutions from incurring more debt and transferring those costs to students. The issuance of these bonds provides another mechanism for the State to assist in pandemic recovery and support a better future for students attending New Jersey’s institutions of higher education.

The Office believes that the resources that will be allocated under these rules to address facility and technology infrastructure needs represent a prudent investment that will ultimately expand opportunity for the State’s workforce and lead to both the expansion of economic growth and returns on investment for New Jersey.

Federal Standards Statement

The rules readopted with amendments and a new rule do not require a Federal standards analysis under N.J.S.A. 52:14B-22 et seq., because the Higher Education Capital Improvement Fund was established by New Jersey legislation, debt service on the bonds issued to fund the Higher Education Capital Improvement Fund is wholly supported by State appropriations and is not subject to any Federal requirements or standards.

Full text of the readopted rules can be found in the New Jersey Administrative Code at N.J.A.C. 9A:12.

Full text of the adopted amendments and new rule follows:

SUBCHAPTER 1. GENERAL PROVISIONS

9A:12-1.1 Purpose and authority

This chapter is promulgated by the Secretary of Higher Education to implement the Higher Education Capital Improvement Fund Act, P.L. 1999, c. 217, as amended by P.L. 2012, c. 42 and P.L. 2017, c. 98. This chapter is adopted in order to provide the mechanism by which eligible institutions may apply for and receive grants from the Higher Education Capital Improvement Fund.

9A:12-1.2 Definitions

The following words and terms, when used in this chapter, shall have the following meanings unless the context clearly indicates otherwise.

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